



## FREMONT ASSOCIATES

700 NORTH 36TH STREET • (206) 632-6607  
SEATTLE, WA 98103

February 28, 1994

Mr. Rick Anderson  
Vice President/Special Accounts  
Seafirst Bank  
REIS  
P. O. Box 34029  
Seattle, WA 98124-1029

RE: Fremont/Oxbow Property Lease Extension

Dear Rick:

Doug Footh and I have reviewed the present lease. The status of our tenants and our best estimate of the income potential for the property. While the highest and best use of the land is for some type of office engineering facility, we don't see that happening in the foreseeable future. Therefore, we must assume its present use will suffice for the next eight years. Given this and the following assumptions:

Usable land	425,000 sc
Raw Land value 5.00/sf	\$2,125,000
Improvements	\$1,250,000
<b>TOTAL VALUE</b>	<b>\$3,375,000</b>

I would suggest a lease extension beginning January 1, 1997 on the following basis: Fremont Associates would assume all the risk and management of the property and pay the Desimone Trust \$124,500/year or \$10,625/month for five years. This translates into a 6% return on the Raw Land Value.

The above proposal will provide the Desimone Trust a guaranteed income with no risk and no management responsibilities and no taxes which are currently \$41,000/year. It provides Fremont Associates a reasonable return on their investment, with assumption of all Risk and Management duties.

Very truly yours,

FREMONT ASSOCIATES



Doug Scheumann

DFT 001405

# OXBOW FREMONT ASSOCIATES DEVELOPMENT COSTS

1. Clearing - Grub and removal	\$2,400.00
2. Permits	34,500.00
3. Water - Inc. Fire Hydrant	113,000.00
4. Sewer	96,000.00
5. Grading - Primary	24,000.00
6. Grading - Final	60,000.00
7. Primary fill - Sub base	381,810.00
8. Secondary fill - Surface	183,331.00
9. Fencing	42,000.00
10. Lighting & electrical	48,000.00
11. Consulting & engineering	60,000.00
12. Overhead & administration	188,467.00
13. Financial cost	<u>82,687.00</u>

TOTAL COSTS \$1,238,195.00

**FREMONT ASSOCIATES**  
**700 NORTH 36TH STREET**  
**SEATTLE, WA 98103**  
(206) 632-6607

March 24, 1999

Mr. David B. Sweeney  
Foster Pepper & Shefelman  
1111 Third Avenue Building  
Suite 3400  
Seattle, WA 98101

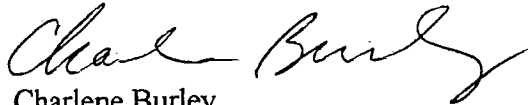
Re: Lease of Desimone Property

Dear Mr. Sweeney:

Enclosed are copies of our current subleases for your client's file as requested for their approval. I have deleted only the monthly rent amounts as this is confidential information both to our tenants and ourselves and should not be relevant to your client's approval or disapproval of the lease tenant. Would you please respond with the written approval as called for in the lease. If you have any further questions, please let me know.

Current tenants are : Sabey, XTRA Lease, Dick's Towing & Road Service, Maust Corporation, and T. M. S.

Very truly yours,  
Fremont Associates

  
Charlene Burley  
Controller

DFT 001407

Sent 2/18/97

Capital Management Corporation  
2003 Western Avenue Suite 555  
Seattle, Washington 98121  
Phone (206) 448-1716  
Fax (206) 728-0603

From: D.L.Footh

To: Phil Birk

Re: Oxbow yard

This will confirm our agreement that Fremont Associates will lease Sabey Construction Company space in their North yard on a month by month basis at 5 cents/sq.ft./month starting 2/1/97. It is my understanding that you are presently occupying 5000 sq.ft. Your rent for the month of February is [REDACTED] Please advise us if there is any change in the space you occupy.

Regards,

D. L. Footh

3/25/97  
Sending to Fremont  
for review  
(Distribution to Sabey)

DFT 001408

## ADDENDUM NUMBER ONE AND ASSIGNMENT AGREEMENT

This Addendum Number One and Assignment Agreement (hereinafter referred to as Addendum No. 1) is made and entered into as of the 28<sup>th</sup> day of August, 1996, by and between Fremont Associates, a Washington partnership (herein referred to as "Lessor"), AJF Warehouse Distributors, Inc., an Illinois corporation (herein referred to as "AJF") and XTRA Lease, Inc., a Delaware corporation and formerly known as Strick Lease, Inc. (herein referred to as "Assignee and/or Lessee").

WHEREAS, pursuant to a Lease Agreement dated as of December 31, 1991 (hereinafter referred to as the "Lease"), AJF is currently the lessee in possession and Lessor is currently the lessor of certain real property located at 10181 West Marginal Place, Seattle, Washington (herein referred to as the "Leased Premises").

WHEREAS, the Lease has an original term which commenced on January 1, 1992 and, pursuant to the terms thereof, continues through December 31, 1996 (herein referred to as the "Term").

WHEREAS, in conjunction with such recommencement and assignment, the parties desire to make certain modifications and amendments to the Lease including, but not limited to, the addition of a five-year renewal option.

NOW, THEREFORE, in consideration of the mutual promises and covenants provided for herein, the parties agree to assign, amend, modify and supplement the Lease as follows:

1. Assignment Assumption and Novation. AJF hereby assigns to Assignee all of AJF's right, title and interest in and to said Lease and delegates all of AJF's obligations under said Lease to Assignee. Assignee hereby accepts the assignment of all of AJF's right, title and interest in and to said Lease and assumes all of AJF's obligations under said Lease. For and in consideration of the foregoing covenants of Assignee, Lessor hereby consents to the aforesaid assignment and assumption and, effective on the date hereof, releases and discharges AJF from all of its obligations under the Lease and agrees that from and after the date hereof, Assignee shall be deemed to be the Lessee under the Lease with the same force and effect as if the Lease were originally executed in the name of XTRA Lease, Inc.

2. Reconfiguration. The configuration of the Leased Premises as described on Exhibit A to the Lease is hereby amended by deleting said Exhibit A to the Lease and replacing it with the configuration of the Leased Premises which is described on Exhibit A attached hereto and made a part hereof.

*original at bank*

3. New Term. The Term of the Lease is hereby amended to recommence on January 1, 1997 and continue for a period of five (5) years and four (4) months terminating on April 30, 2002 (the "Recommended Term"). Rental during the Recommended Term shall be [REDACTED] per month payable as set forth in the Lease.

4. CPI Adjustment. There shall be a CPI Adjustment to the annual Lease payment on December 31, 1999 for the previous 36 month CPI change. Such increase or decrease shall be calculated by adding the CPI change for the three (3) twelve (12) month periods beginning January 1, 1997 and ending December 31, 1999. Such increase or decrease shall not exceed three percent (3%) change per year. Seattle-Tacoma CPI for all urban consumers is to be used.

5. No Other Amendments. Except as modified in this Addendum No. 1, all terms and conditions of the Lease shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have executed this Addendum No. 1 as of the date first written above.

XTRA LEASE, INC.

By

Brian J. Dorfman  
Name: BRIAN J. DORFMAN  
Title: VP

AJF WAREHOUSE DISTRIBUTORS, INC.

By

Roger L. Meers  
Name: ROGER L. MEERS  
Title: CONTROLLER

FREMONT ASSOCIATES

By

Patricia  
Name:  
Title:

LEASE AGREEMENT  
UNIMPROVED REAL PROPERTY

THIS LEASE AGREEMENT, made and entered into this 31 day of December, 1991, by and between FREMONT ASSOCIATES, a Washington partnership, (referred to as "Lessor"), and AJF WAREHOUSE DISTRIBUTORS, INC., an Illinois Corporation, doing business as AJF LEASING (referred to as "Lessee");

Section 1. Leased Premises. The Lessor for and in consideration of the rents, covenants and agreements hereinafter mentioned and hereby agreed to be paid, kept and performed by Lessee, has leased and by these presents does lease to Lessee, and Lessee does hereby lease from Lessor, the following described premises, (referred to as "Leased Premises"), situated in the City of Seattle, State of Washington, to-wit:

4.0 acres of property (as described on Exhibit "A", attached hereto) located at 10181 West Marginal Place South, Seattle, Washington. Property is approximately 445 feet deep by 392 feet wide, totaling 174,240 square feet, immediately adjacent to the Oxbow Interchange and the Boeing Access Road. Access to the property is from West Marginal Place South.

Section 2. Use of Leased Premises. The Lessor hereby leases to Lessee and Lessee hereby leases from Lessor, for the purpose of maintaining and conducting therein a trailer leasing and transportation servicing business, including operating repair and maintenance facilities, providing storage and parking facilities, and providing office facilities for sales and clerical staff, and for any and all other purposes connected or incident to the business of the Lessee without limitation and for no other use.

Section 3. Commencement and Ending Date of Term.

A. This lease is for a term of five (5) years (referred to as "Primary Term") with such Primary Term to commence on the 1st day of January 1992 (referred to as "Commencement Date") and end on the 31st day of December 1996.

B. The term "Lease Month" as used herein shall mean the period of time commencing at the beginning of the 1st day of each calendar month and ending immediately prior to the same day of the next calendar month, and in the event the next calendar month does not contain such a date, then ending at the end of the last day of the next calendar month.

C. At the expiration of the tenancy hereby created, Lessee shall surrender the Leased Premises in the same condition as the

Leased Premises were in on the Commencement Date, reasonable wear and tear excepted, and shall surrender all keys for the Leased Premises to Lessor at the place then fixed for the payment or rent.

D. Any holding over after the expiration of the term hereof, with the consent of the Lessor, shall be construed to be a tenancy from month to month at the rents herein specified (pro-rated on a monthly basis) and shall otherwise be on the terms and conditions herein specified.

E. In the event that Lessee's use of the Leased Premises should be prohibited or substantially frustrated by any act, law, regulation, or order of any federal, state or local governmental authority, by the condition of or access to the Leased Premises, by the lack of adequate utility service at the Leased Premises, or by the act of Lessor or failure of Lessor to perform pursuant to this lease, and so long as such prohibition or frustration is not the fault of Lessee, then in such event, Lessee, at its option, may declare the term of this Lease ended, give written notice to Lessor of the termination of this lease, vacate the Leased Premises and be thereby relieved from all further obligations under this Lease.

#### Section 4. Rental Amount and Payment.

A. (i) 1 January 1992 - 1 July 1992. The six month rental for this period shall be [REDACTED] Dollars [REDACTED] payable by Lessee to Lessor in equal monthly installments of [REDACTED] Dollars [REDACTED] each, in advance, without notice, on or before the 1st day of each Lease Month during the term of this lease, with the first of such monthly payments being due and payable on the 1st day of January 1992.

(ii) 1 July 1992 to 1 July 1993. The yearly rental for this period shall be [REDACTED] dollars [REDACTED], payable by Lessee to Lessor in equal monthly installments of [REDACTED] Dollars [REDACTED] each, in advance, without notice, on or before the 1st day of each Lease Month during the term of this lease, with the first of such monthly payments being due and payable on the last day of June 1992.

(iii) 1 July 1993 to 1 July 1995. The yearly rental for this period shall be [REDACTED] Dollars [REDACTED], payable by Lessee to Lessor in equal monthly installments of [REDACTED] Dollars [REDACTED] each, in advance, without notice on or before the 1st day of each Lease Month during the term of this lease, with the first of such monthly payments being due and payable on the last day of June 1993.

(iv) 1 July 1995 to 1 January 1997. The yearly rental for this period shall be [REDACTED] Dollars [REDACTED], payable by Lessee to Lessor in equal monthly installments of [REDACTED] Dollars [REDACTED] each, in advance, without notice on or before the 1st day of each Lease Month during the term of this lease, with the first of such monthly payments being due and payable on the last day of June 1995.

(v) CPI Adjustment-Commencing on 1 July 1993 the annual Lease payment will be adjusted annually for the previous 12 month CPI change. Such increase or decrease shall not exceed Five per cent (5%), change per year. 1 July 1992 shall be the starting point for the CPI change and such change shall run accumulative throughout the lease. In no case shall the monthly rent exceed Nine and One-half cents (9-1/2 cents), per square foot per month or Sixteen Thousand Five Hundred Fifty Three Dollars (\$16,553.00), per month for the term of the lease. Seattle-Tacoma CPI for all urban consumers is to be used.

B. The Lessee shall pay as additional rent any money required to be paid by Lessee under this lease, whether or not the same be designated "additional rent". If such amounts or charges are not paid at the time provided in this lease, they shall nevertheless, if not paid when due, be collectable as additional rent with the next installment of rent thereafter falling due hereunder.

C. If Lessee shall fail to pay, when the same is due and payable, any rent or any additional rent, such unpaid amounts shall bear interest from the due date thereof to the date of payment at the rate of Twelve percent (12%) per annum.

D. All rental payments are to be made to Lessor at the following address: 3600 Fremont Avenue North, Seattle, Washington, 98103, or such other address as Lessor shall from time to time designate by notice to Lessee.

Section 5. Utilities. Lessor shall provide and make payment for initial installation or "Hook-up" costs for electricity, gas, fuel, water, sewer service and telephone service for the office located on the Leased Premises. Lessee shall promptly pay all charges for electricity, gas, fuel, water, sewer service, trash collection service, telephone service, and other utilities used in or on the Leased Premises, as they become due and shall contract for such utilities in its own name.

Section 6. Insurance and Mutual indemnification.

A. Lessor and Lessee and all parties claiming under them, hereby mutually release and discharge each other, and the officers,

employees, agents and representatives of each other, from all claims and liabilities arising from or caused by any hazard or circumstance, regardless of the cause of the damage or loss, which is:

(i) Covered by valid and collectible insurance covering the Leased Premises, maintained by Lessor or Lessee; or

(ii) Covered by valid and collectible insurance in connection with property on or activities conducted on the Leased Premises, maintained by Lessor or Lessee; or

(iii) Covered by valid and collectible insurance that either Lessor or Lessee is obligated to obtain pursuant to this Lease, including fire and supplemental or extended coverage insurance, and public liability insurance.

B. During the entire term of this lease, Lessee and Lessor shall, at Lessee's and Lessor's sole cost and expense, respectively, maintain public liability insurance against claims for personal injury, death or property damage occurring in, upon or about the Leased Premises and on any sidewalks and streets directly adjacent to the Leased Premises. The limitation of Liability of such insurance shall be not less than One Million Dollars (\$1,000,000.00) in respect to injury or death and not less than One Hundred Thousand Dollars (\$100,000.00) in respect to property damage.

C. Lessee, at its sole option, may effect such insurance (i) under a policy covering the Leased Premises only; or (ii) under a blanket policy or policies covering the Leased Premises and other properties owned or leased by Lessee or by Lessee and associated companies; or (iii) by any combination of the foregoing.

D. Each party shall notify the other of the insurance method elected at the commencement of the Lease Term and of any change in the method used during the term of the Lease.

#### Section 7. Real Estate Taxes.

A. Lessee shall pay to the appropriate authority as and when they shall be due all real estate taxes levied upon and assessed against the Leased Premises.

B. The term "real estate taxes" as used herein shall be deemed to mean only those taxes imposed upon the real property and based upon the value of such property. The term "real estate taxes" shall not include special levy fees and assessments imposed from time to time by water, sewer and fire districts, nor shall such term include personal income taxes, personal property taxes, inheritance taxes, or franchise taxes levied against the Lessor, but not directly against said property, even though such taxes

might become a lien against said property.

Section 8. Special Assessments. Lessor shall pay to the appropriate authority as and when they shall become due all special assessments which shall include all levy fees imposed from time to time by water, sewer, fire and other special purpose district.

Section 9. Personal Property Taxes. During the term hereof, Lessee shall pay prior to delinquency, all taxes assessed against and levied upon fixtures, furnishings, equipment and all other personal property of Lessee contained in the Leased Premises, and when possible, Lessee shall cause said fixtures, furnishings, equipment and other personal property to be assessed and billed separately from the real property of Lessor. In the event any or all of the Lessee's fixtures, furnishings, equipment and other personal property shall be assessed and taxed with the Lessor's real property, the Lessee shall pay to Lessor its fair share of such taxes within forty-five (45) days after delivery to Lessee by lessor of a statement in writing setting forth the amount of such taxes applicable to the Lessee's property, together with a copy of the tax bill and Lessor's computation thereof.

Section 10. Maintenance and Repair.

A. Except as provided in Section 22, all maintenance and repair to the Leased Premises shall be the sole obligation of Lessee and shall remain as a part of the realty.

B. Any fixtures, improvements, machinery or equipment installed by Lessee shall be the property of Lessee and may be removed by Lessee at the termination of its tenancy, subject, however, to the obligation of Lessee to surrender the Leased Premises in good order and condition as the same are at the commencement of this lease save only the wear thereof from reasonable and careful use and circumstances beyond the control of the Lessee, its agents, officers, servants, employees, and contractors. Upon such termination, Lessee will fill and repair any holes or damage caused by the installation or removal of Lessee's fixtures, improvements, machinery or equipment.

Section 11. Condemnation. If any part of the Leased Premises be condemned for public or quasi-public use by right of eminent domain with or without litigation or transferred by agreement in connection with such public or quasi-public use, this lease as to the part so taken shall terminate as of the date title shall vest in the condemnor and Lessee shall have the option as of such date to terminate this lease in its entirety if said event prevents or materially impairs Lessee from continuing its use of the remaining premises for the above-described purposes. If condemnation of any part of the Leased Premises does not prevent or materially impair Lessee's continuing use as aforesaid, then the rent payable hereunder shall be adjusted so that Lessee shall be

required to pay for the remainder of the term and any renewal thereof an amount which bears the same proportion to the total rent as the fair rental value of the part of the Leased Premises so taken bears to the fair rental value of the entire Leased Premises at the date of condemnation. All compensation awarded upon such condemnation or taking shall belong and be paid to Lessor. However, nothing herein shall be deemed to give Lessor any interest in or require Lessee to assign to Lessor any award made to Lessee for the taking of personal property or fixtures belonging to Lessee, for the interruption or damage to Lessee's business and for Lessee's moving expenses.

Section 12. Default and Remedies.

A. All rights and remedies of Lessor herein enumerated shall be cumulative, and none shall exclude any other right or remedy allowable by law.

B. Lessee shall be in default:

(i) If Lessee shall fail, neglect or refuse to pay any installment of rent at the time and in the amount as herein provided, or to pay any other monies agreed by it to be paid promptly when and as the same shall become due and payable under the terms hereof after ten (10) days written notice of such default;

(ii) If any voluntary or involuntary petition or similar pleading under any section or sections of any bankruptcy act shall be filed by or against Lessee, or any voluntary or involuntary proceeding in any court or tribunal shall be instituted to declare Lessee insolvent or unable to pay Lessee's debts, and the same shall not be dismissed or discharged within forty-five (45) days after notice thereof in writing given to the Lessee by Lessor; or

(iii) If the Lessee shall fail, neglect or refuse to keep and perform any of the other covenants, conditions, stipulations, or agreements herein contained and covenanted and agreed to be kept and performed by it, and in the event any such default shall continue for a period of more than thirty (30) days after notice in writing to the Lessee by the Lessor; provided, however, that if the cause for giving such notice involves the making of repairs or other matters reasonably requiring a longer period of time than the period of such notice, the Lessee shall be deemed to have complied with such notice so long as it has commenced to comply with said notice within the period set forth in the notice and is diligently prosecuting compliance with said notice, or has taken proper steps or proceedings under the circumstances to prevent the seizure, destruction, alteration, or other interference with the Leased Premises by reason of non-compliance with the requirements of any law or ordinance or with the rules, regulations or directions of any governmental authority

as the case may be; or

(iv) If Lessee makes any assignment of its property for the benefit of creditors or should the Leased premises be taken under a levy of execution or attachment in an action against the Lessee and such levy, attachment or assignment is not dismissed, and discharged within thirty (30) days after written notice thereof to Lessee by Lessor.

C. In the event of the occurrence of any default by Lessee, the Lessee does hereby authorize and fully empower said Lessor or Lessor's agent to cancel or annul this Lease at once and to re-enter and take possession of the Leased Premises immediately, and without any previous notice of intention, to re-enter and remove all persons and their property therefrom, and to use such force and assistance in effecting and perfecting such removal as said Lessor may deem necessary and advisable to recover at once full and exclusive possession of the Leased Premises. Lessee expressly agrees that the exercise of the Lessor of the right of re-entry shall neither bar nor prejudice in any way any other legal remedies available to Lessor.

Section 13. Default by Lessor. In case Lessor shall default in the performance of any covenant or agreement herein contained and such default shall continue for thirty (30) days after written notice thereof given by Lessee, its agent or attorney, then no rent shall be paid or become payable under this Lease for such time as such default shall continue after the expiration of said thirty (30) day period and Lessee, at its option, may (i) declare the term of this Lease ended, vacate the Leased Premises and be thereby relieved from all further obligations under this Lease, or (ii) pay any sum necessary to perform any obligation or Lessor hereunder which may be in default and deduct the cost thereof with interest at the rate of twelve percent (12%) per annum from the rents thereafter to become due hereunder. The performance of each and every agreement herein contained on the part of the Lessor shall be a condition precedent to the right of Lessor to collect rent hereunder or to enforce this Lease Agreement against Lessee.

Section 14. No Waiver of Forfeiture. No waiver of any forfeiture, by acceptance of rent or otherwise, shall waive any subsequent cause of forfeiture, or breach of any condition of this lease; nor shall any consent by the Lessor to any assignment or sub-letting of the Leased Premises, or any part thereof, be held to waive or release any assignee or sublessee from any of the foregoing conditions or covenants as against him or them; but every such assignee and sublessee shall be expressly subject thereto.

Section 15. Entry and Inspection. Lessee shall permit Lessor and his agents to enter into and upon the Leased Premises at reasonable times during business hours, except in an emergency,

then at any time, for the purpose of inspecting the same provided the same shall not unreasonably interfere with the Lessee's business. Lessee shall permit Lessor, at any time within sixty (60) days prior to the expiration of this lease, to place upon the Leased Premises any usual or ordinary "For Lease" signs provided the signs shall not unreasonably interfere with the Lessee's business. Lessor or any of its agents, at any time within three (3) months prior to Expiration of this Lease, may, during normal business hours, enter upon the Leased Premises and exhibit same to prospective tenants with as little disruption to Lessee's business as reasonably possible.

Section 16. Subordination. Lessor reserves the right from time to time and at any time or times in the future to obtain a loan or loans secured by a mortgage, deed of trust, and security agreement upon the Leased Premises, or any part thereof. In the event that Lessor desires to obtain such loan, Lessee agrees that promptly upon the request of Lessor:

A. It will execute and deliver to Lessor, for delivery to the mortgagee, an agreement in recordable form and otherwise in form and substance reasonably satisfactory to said mortgagee, whereby Lessee agrees to subordinate the lien of this lease to the lien of said mortgage and security agreement, and Lessee agrees to attorn to the mortgagee or any purchaser at foreclosure of judicial sale; provided, that as a part of such agreement, said mortgagee covenants that so long as Lessee shall not be in default under its lease, Lessee will not be disturbed in the enjoyment and use of the premises under the terms of this lease during the primary and option terms hereof (if any) because of any default by Lessor under said mortgage.

B. It will execute and deliver to Lessor, for delivery to the mortgagee, an estoppel certificate setting forth the space leased to Lessee, the term of the lease, the fixed rent payable under the lease, any credits, setoffs or claims which Lessee may believe it is entitled to claim against the fixed rent, any concessions obtained from Lessor or obligations owed by Lessor to Lessee, and stating whether the lease has been modified or amended and whether or not said lease is then in good standing and effect (and if so modified or amended or not in good standing and effect, setting forth the particulars thereof).

Section 17. Covenants.

A. Upon the request of either party, at any time or from time to time, Lessor and Lessee agree to execute, acknowledge and deliver to the other, within ten (10) days after such request, a written instrument, duly executed and acknowledged, (a) certifying that this lease has not been modified and is in full force and effect or, if there has been a modification of this lease, that this lease is in full force and effect as modified, stating such

modifications, (b) specifying the dates to which the fixed annual rent and charges have been paid, (c) stating whether or not, to the knowledge of the party executing such instrument, the other party hereto is in default, and, if such party is in default, stating the nature of such default, (d) stating the Commencement Date, and (e) stating which options to renew the term have been exercised.

B. The Lessee shall not permit the Leased Premises to be encumbered by any mechanic's, laborer's or materialman's lien. the Lessee shall, whenever and as often as any such lien is filed against the Leased Premises or any part thereof purporting to be for labor or material furnished for or to the Lessee or upon the Leased Premises, discharge the same of record within thirty (30) days after the filing. Notwithstanding anything herein to the contrary, Lessee may in good faith context any such lien as long as Lessee furnishes to Lessor reasonable security against enforcement of the lien against the Leased Premises.

C. Lessor represents that it has full right, power and authority to enter into this lease for the term herein granted.

D. Lessee shall have the right from time to time, at its sole expense, to make or caused to be made, additions, alterations, changes and improvements to the Leased Premises. This paragraph shall in no way modify Lessee's obligation to return the Leased Premises to the Lessor at the end of the lease term in their present condition, reasonable were and tear excepted, and damage by casualty excepted.

Section 18. Assignment and Sublease. This lease is not assignable by Lessee, nor shall the Leased Premises or any part thereof be sublet, used or permitted to be used for any purpose other than above set forth without the written consent of the Lessor, provided, however, that the consent of Lessor shall not be unreasonably withheld. Any assignment of this lease or subletting of the Leased Premises or any part thereof shall not operate to release the Lessee from the fulfillment on Lessee's part of the covenants and agreements herein contained to be by said Lessee performed, nor authorized any subsequent assignment or subletting without the written consent of the Lessor.

Section 19. Option to Lease Additional Space. L e s s e e reserves a first right of refusal to lease the 2 acre lot to the North of their present lot at such time as the present Lessee terminates its lease, or any extension of their lease, and vacates the premise. Lease rate per acre to be the same as the per acre rate that is in effect at the time the option is exercised as the currently leased 4 acres. In addition, all other paragraphs of this lease will apply to the additional leased space.

Section. 20. Option to Terminate Lease Early. L e s s o r reserves the right to terminate this lease at any time with 12

months written notice. As consideration for such early termination the Lessor agrees to pay to Lessee the sum of \$150,000 plus relocation costs agreeable by both parties but not to exceed \$100,000 additional. Such payments to be made at the time of vacation.

Section 21. Option to Negotiate Lease. AJF is granted first right to negotiate the renewal of this Lease. Such right of negotiation terminates on 1 July 1996.

Section 22. Lease Memorandum. The parties agree that simultaneously with the execution of this instrument that they shall execute a Memorandum of Leased for the purpose of recording.

Section 23. Miscellaneous.

A. Any and all notices required or permitted to be served hereunder shall be given in writing and shall be effective upon its deposit in the United States mails, postage prepaid, return receipt requested, addressed as follows:

If to Lessor: Fremont Associates  
3600 Fremont Avenue North  
Seattle, Washington 98103

If to Lessee: AJF Warehouse Distributors  
9043 Frost Avenue  
St. Louis, Missouri 63134

or to such other place and to such additional persons and places as either party shall reasonably designate by notice to the other party.

B. Whenever the word "Lessor" is used herein it shall be construed to include the heirs, executors, administrators, successors, assigns or legal representatives of the Lessor; and the word "Lessee" shall include the heirs, executors, administrators, successors, assigns, or legal representatives of the Lessee and the words Lessor and Lessee shall include singular and plural, individual or corporation.

C. Each of the parties represents and warrants that there are no claims for brokerage commissions or finder's fees in connection with the execution of this lease, and each of the parties agrees to indemnify the other against, and hold harmless from, all liabilities arising from any such claim (including, without limitation, the cost of counsel fees in connection therewith).

D. Time is of the essence of this Lease.

E. If any term, covenant or condition of this lease or the

application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this lease, and the application of such term, covenant or condition to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby and each term, covenant or condition of this lease shall be valid and be enforced to the fullest extent permitted by law.

F. Upon payment by the Lessee of the rents herein provided, and upon the observance and performance of all the covenants, terms and conditions on Lessee's part to be observed and performed, Lessee shall peaceably and quietly hold and enjoy the Leased premises for the term hereby leased without hindrance or interruption by Lessor or any other person or person lawfully or equitably claiming by, through or under the Lessor, subject, nevertheless, to the terms and conditions of this lease.

G. This Lease and the Exhibits attached hereto and forming a part hereof, set forth all the covenants, promises, agreements, conditions, and understandings between Lessor and Lessee concerning the Leased Premises and there are no covenants, promises, agreements, conditions or understanding, either oral or written, between them other than are herein set forth. Except as herein otherwise provided, no subsequent alteration, amendment, change or addition to this lease shall be binding upon Lessor or Lessee unless reduced to writing and signed by them.

H. In the event any party hereto finds it necessary to employ legal counsel to bring an action at law or other proceedings against any other party to enforce any of the terms, covenants or conditions hereof, the party prevailing in any such action or other proceedings shall be paid all reasonable attorneys' fees by the other party, and in the event any judgement is secured by such prevailing party, all such attorneys' fees shall be included in such judgement in such action or proceedings.

#### Section 24. Additional Duties of Lessor.

A. Lessor shall surface the property with crushed rock suitable to Lessee and maintain said surface in satisfactory condition for the Lessee to conduct its business. Lessor shall provide such material as it necessary to prepare and maintain the surface.

B. Lessor has enclosed the Leased Premises with a six (6) foot fence, with three (3) strands of barbed wire on top. Lessor shall maintain said fence in a condition satisfactory to Lessee. Lessor shall provide and maintain a forty (40) foot wide double sliding gate for an entrance on West Marginal Place South.

C. Lessor shall maintain in condition satisfactory to Lessee a hot mix asphalt approach from West Marginal Place South through

a forty (40) foot sliding gate connecting the Leased Premises to West Marginal Place South.

IN WITNESS WHEREOF, the said parties aforesaid have duly executed the foregoing instrument or caused the same to be executed the day and year first above written.

LESSOR:

FREMONT ASSOCIATES

By D. R. Schleman

Title Partner

LESSEE:

AJF WAREHOUSE DISTRIBUTORS, INC.

By Philip Hamel

Title vp Finance

STATE OF WASHINGTON )

) ss.

COUNTY OF KING )

I, Raymond E. Ronicker, a Notary Public, do hereby certify that on the 31st day of DECEMBER, 1991, personally appeared before me Philip Hamel, Partner of FREMONT ASSOCIATES, a Washington partnership, known to me to be the person who executed the within document on behalf of said partnership and acknowledged to me that he executed the same for the purposes therein stated.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal in the County and State aforesaid, on the day and year first above written.

Raymond E. Ronicker  
Notary Public

My Commission Expires:

RAYMOND E. RONICKER  
NOTARY PUBLIC - STATE OF MISSOURI  
ST. LOUIS COUNTY  
(MY COM. EXPIRES JAN. 25, 1993)

STATE OF MISSOURI )

) ss.

COUNTY OF ST. LOUIS )

I, RAYMOND E. SCHNECKER, a Notary Public,  
do hereby certify that on the 31st day of DECEMBER,  
1991, personally appeared before me PHILLIP HAMMEL  
of AJF WAREHOUSE DISTRIBUTORS, INC., an Illinois corporation, and  
being first duly sworn by me, acknowledged that he signed the  
foregoing document on behalf of said corporation in the capacity  
therein set forth, by authority of the Board of Directors of said  
corporation, and declared that the statements therein contained are  
true.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my  
official seal in the County and State aforesaid, on the day and  
year first above written.

Raymond E. Schaefer  
Notary Public

My Commission Expires:

RAYMOND E. SCHNECKER  
NOTARY PUBLIC  
ST. LOUIS COUNTY  
MY COMMISSION EXPIRES 03, 1993

B:\LEASEAGR.003

STATE OF WASHINGTON )  
 ) ss.  
COUNTY OF KING )

I, Charlene Burley, a Notary Public,  
do hereby certify that on the 6 day of January,  
1992, personally appeared before me Douglas R. Schumann  
Partner of FREMONT ASSOCIATES, a Washington partnership, known to  
me to be the person who executed the within document on behalf of  
said partnership and acknowledged to me that he executed the same  
for the purposes therein stated.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my  
official seal in the County and State aforesaid, on the day and  
year first above written.

Charlene Burley  
Notary Public

My Commission Expires:

4-1-94

## LEASE AMENDMENT

This Lease Amendment, dated 8/14/96, is made between FREMONT ASSOCIATES (Lessor) and DICK'S TOWING & ROAD SERVICE INC. (Lessee).

WHEREAS, Lessor and Lessee have entered in a lease dated 7/13/92 (Lease) covering the premises described in Exhibit "A" of the Lease, and Lessor and Lessee wish to amend said Lease.

NOW, THEREFOR, Lessor and Lessee agree as follows: The term shall be for FIVE (5) years and FOUR (4) months beginning 1/1/97 and ending 4/30/2002. Further: the rental rate shall be [REDACTED] for the first eighteen (18) months, [REDACTED] for the next eighteen (18) months, and [REDACTED] for the remaining twenty-eight (28) months. All other terms and conditions of the agreement shall remain the same.

LESSOR;

FREMONT ASSOCIATES

By: *David F. Schuman*

Dated: 9-6-96

LESSEE;

DICK'S TOWING AND ROAD SERVICE INC.

By: *Debbie A. Riskey, President*

Dated: 9-9-96

LEASE AGREEMENT

This Lease Agreement, made this 13 day of July, 1992, by and between Fremont Associates, a partnership, hereinafter referred to as "Landlord" and Dick's Towing & Road Service, Inc., a corporation, hereinafter referred to as Tenant".

The undersigned parties agree as follows:

1. Description of Premises:

Landlord does hereby lease to Tenant according to the terms of this Agreement, those certain premises legally described in Exhibit A attached hereto and incorporated herein by this reference (the "leased premises"), together with all improvements and personal property thereon.

Landlord will provide the present rocked surface. Normal yard maintenance of the premises shall be at Tenant's expense.

Fire protection is presently provided on West Marginal Place frontage of the leased property.

2. Term:

The initial term ("initial term") of this Lease shall commence November 1, 1992 and shall end on December 31, 1996.

a. The Landlord reserves the right to terminate this lease at any time with one year's notice should Boeing, or a Boeing related project, require use of the property. Should the lease be terminated under this provision, the Landlord agrees to pay all normal relocation costs incurred by Tenant up to a maximum of \$50,000.00.

EXHIBIT A

BUSH, ROED & HITCHINGS, INC.

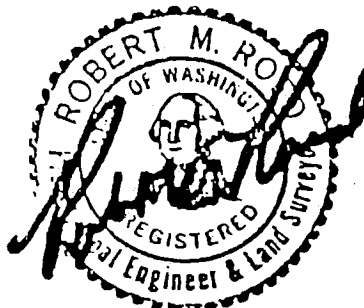
LEASE PARCEL DESCRIPTION

THAT PORTION OF GOVERNMENT LOTS 5 AND 6 AND OF THE NORTHWEST QUARTER OF THE SOUTHEAST QUARTER AND OF THE NORTHWEST QUARTER, ALL IN SECTION 4, TOWNSHIP 23 NORTH, RANGE 4 EAST, W.M., IN KING COUNTY, WASHINGTON, DESCRIBED AS FOLLOWS:

COMMENCING AT THE INTERSECTION OF THE NORTHEASTERLY MARGIN OF PRIMARY STATE HIGHWAY NO. 1, AS ESTABLISHED BY KING COUNTY SUPERIOR COURT CAUSE NO. 529021, WITH A LINE DESCRIBED IN BOUNDARY LINE AGREEMENT BETWEEN COMMERCIAL WATERWAY DISTRICT NO. 1, A MUNICIPAL CORPORATION OF THE STATE OF WASHINGTON AND THE NATIONAL BANK OF COMMERCE, AS DESCRIBED IN THAT DOCUMENT RECORDED UNDER AUDITOR'S FILE NO. 4839445, SAID POINT OF INTERSECTION BEING ON A 3970.00 FOOT RADIUS CURVE CONCAVE TO THE SOUTHWEST, THE CENTER OF WHICH BEARS SOUTH 48°36'18" WEST; THENCE SOUTHEASTERLY ALONG SAID CURVE AND NORTHEASTERLY MARGIN 259.11 FEET TO THE TOP OF SOUTH BANK OF SLOUGH AND THE TRUE POINT OF BEGINNING; (THENCE CONTINUING SOUTHEASTERLY ALONG SAID CURVE AND MARGIN 57.86 FEET; THENCE NORTH 48°12'26" EAST 424.93 FEET; THENCE NORTH 43°55'43" WEST 158.92 FEET TO THE TOP OF THE SAID SOUTHERLY BANK OF SLOUGH; THENCE ALONG SAID TOP OF BANK THE FOLLOWING COURSES SOUTH 44°16'08" WEST 185.87 FEET; THENCE SOUTH 23°02'23" WEST 152.95 FEET; THENCE SOUTH 33°43'18" WEST 93.86 FEET TO THE TRUE POINT OF BEGINNING.

CONTAINING 50,860 SQUARE FEET OR 1.17 ACRES.

CONSTRUCTOR'S PAMCO  
BRH JOB NO. 86143  
OCTOBER 12, 1987  
SURV. 16/RMR



DFT 001427

3. Rent:

Tenant agrees to pay Landlord, without notice or demand and without set off or deduction, monthly rent (the "rent") in the amount of [REDACTED] Dollars ([REDACTED]) per month, in advance on the first of each month of the lease term for the first twelve (12) months. For the next twelve (12) months, the rental shall be [REDACTED] Dollars ([REDACTED]) per month. For the next twelve (12) months, the rental shall be [REDACTED] Hundred Dollars [REDACTED], per month. For the next fourteen (14) months the rent shall be [REDACTED] Dollars [REDACTED]

If Tenant is in possession of the leased premises for a portion of a month, the monthly rent shall be prorated for the number of days of Tenant's possession during that month.

4. Utilities and Fees:

Except as provided in paragraph 1, Tenant agrees to pay directly all charges for light, heat, water, sewer, garbage, drainage, metro and all other utilities and services to the leased premises during the term of this Lease. Tenant further agrees to pay directly, in addition to the rent provided for herein, all license fees and other governmental charges levied on the operation of Tenant's business on the leased premises. ~~Landlord agrees to pay pumpout charges for holding tank until such time as a sewer hookup is provided to the property.~~ Done 7/1/92 DMS

5. Taxes:

Tenant agrees to pay all taxes levied or assessed against or

with respect to the leased premises.

Should there presently be in effect, or should there be enacted during the term of this Lease, any law, statute or ordinance levying any tax (other than federal or state income taxes) upon rents, Tenant shall pay such tax or shall reimburse Landlord on demand for any such taxes paid by Landlord.

6. Use of Premises:

Tenant intends to use the leased premises for the operation of a vehicle towing business and related services. Tenant shall not use the leased premises for any other purpose without the consent of the Landlord, which consent shall not be unreasonably withheld.

7. Changes and Alterations:

Tenant may make alterations, additions or improvements upon the leased premises at Tenant's expense. Any such alterations, additions or improvements shall be subject to Landlord's consent, which consent shall not be unreasonably withheld. Any proposed alterations, additions or improvements to the leased premises shall be submitted to Landlord, and Landlord shall have thirty (30) days from receipt in which to disapprove the proposed alterations, additions or improvements. In the event that Landlord takes no action within such thirty (30) day period, Tenant may, at the end of such thirty (30) days, proceed with the proposed alterations, additions or improvements as if Landlord had consented.

In the performance of any work connected with alterations, additions or improvements to the leased premises, Tenant agrees to comply with all laws, ordinances, rules and regulations or any

proper public authority, and to save Landlord harmless from damage, loss or expense associated therewith. Tenant further agrees that prior to the commencement of any alterations, additions or improvements to the leased premises, Tenant shall obtain a payment and performance bond in favor of Landlord as security to Landlord for completion of such leasehold improvements.

All leasehold alterations, additions or improvements, excluding fixtures and equipment, shall become the property of Landlord upon completion, unless Landlord shall otherwise agree in writing and in such latter event, Tenant shall remove such improvements at Tenant's expense prior to the termination of this Lease upon written notice from Landlord. Any improvements not so removed shall be removed at Tenant's expense and Tenant shall pay for all damages resulting from such removal.

8. Acceptance and Maintenance of Premises:

Tenant has examined the premises, and accepts them in their present condition. Tenant shall, at its own expense, and at all times, keep the leased premises neat, clean and in a sanitary conditions and keep and use the leased premises in accordance with applicable laws, ordinances, rules, regulations and requirements of governmental authorities. Tenant shall be solely responsible for any and all repairs to, and maintenance of, the leased premises and Tenant agrees to perform, at its own expense such, maintenance and repair as many be necessary to maintain the premises and the improvements thereon in good condition, normal wear and tear accepted.

If, in Landlord's opinion, Tenant shall fail to keep and preserve the leased premises in a fit condition and state of repair, Landlord may, at its option, and without waiver of any other remedies available to Landlord, put, or cause the same to be put, into the condition and state of repair agreed upon and, in such case, Tenant shall pay the cost thereof upon demand from Landlord.

9. Surrender of Leased Premises:

Tenant agrees that, at the expiration of the term of this Lease Agreement, Tenant will quit and surrender the premises in a neat and clean condition and shall deliver to Landlord all keys belonging to said premises. Landlord agrees to give Tenant notice to vacate six (6) months before termination of this Lease, if such action shall be required.

At the expiration of this Lease, Tenant shall have the right to remove from the lease premises any and all signs and advertising materials, all movable equipment including office trailer and movable trade fixtures, inventory and personal property.

10. Access:

Landlord shall have the right to enter the leased premises at all reasonable times for the purpose of inspection or for making repairs, additions or alterations, and to show the leased premises to prospective tenants for a period commencing six (6) months prior to the expiration of the lease term. This right of access shall not be construed as a agreement by Landlord to make any repairs, additions or alterations which are the responsibility of Tenant

pursuant to paragraph eight (8) hereof.

11. Signs:

Tenant shall be entitled to install signs and other advertising materials, structures or fixtures on the leased premises at Tenant's expense and as reasonably necessary to advertise Tenant's business, provided such signs and advertising materials, structures or fixtures are approved in advance by Landlord, which approval shall not be unreasonably withheld.

12. Payments and Notices:

All rent payments shall be made as instructed by Landlord. Any notices required by this Lease Agreement shall be sent postage pre-paid to Landlord at 700 North 36th Street, Seattle, Washington, 98103, or at such other address as Landlord shall furnish to Tenant in writing. Any notices required by the Lease Agreement shall be sent postage pre-paid to Tenant at 2012 South 146th Street, Seattle, Washington 98168, or such other address as Tenant shall furnish to Landlord in writing. Any notices given pursuant to the terms of this agreement shall be deemed delivered (received) when personally delivered or three (3) days after deposit in to the United State mail. Mailed notices shall be sent certified mail, return receipt requested.

13. Personnel:

Tenant shall, at its expense, furnish the personnel required to properly operate the leased premises.

14. Accidents and Liability:

Landlord shall not be liable for any acts or defaults of

Tenant or any of its agents, employees or invitees. Tenant does hereby agree to indemnify and hold Landlord harmless from and against any and all claims actions, liability, damages, losses, costs, and expenses, including reasonable attorneys' fees incurred by Landlord (a) arising out of or in connection with any default of Tenant hereunder, or (b) arising out of loss of life, personal injury, and/or damage to property suffered or alleged to have been suffered in or about the lease premises and contiguous public areas by any person, firm or corporation while the leased premises are leased by Tenant, or (c) suffered as a result of the occupancy or use of the leased premises or any part thereof by Tenant, its agents, contractors, employees, invitees or any person on said leased premises and contiguous public areas during the term of this Lease Agreement; provided, that this shall not relieve Landlord's responsibility for any damage or injury caused by Landlord's actual negligence.

15. Insurance.

During the term of this Lease, Tenant, at its sole cost and expense and for the mutual benefit of Landlord and Tenant, shall carry and maintain the following types of insurance in the amounts specified with such company or companies as are acceptable to Landlord:

Comprehensive public liability insurance, including property damage, insuring Landlord and Tenant against liability for injury to persons or property occurring in or about the leased premises or arising out of the ownership, maintenance, use or occupancy

thereof. The liability under such insurance shall not be less than \$500,000 for any one person injured or killed, not less than \$1,000,000 for any one accident and not less than \$100,000 for personal property damage per accident. All insurance amounts shall be for United States dollars.

All policies of insurance shall provide by endorsement that any loss shall be payable to Landlord or Tenant as their respective interests appear. All policies of insurance shall contain a clause that the insurer will not cancel or change the insurance coverage without first giving Landlord ten (10) days prior written notice. Tenant shall have the privilege of procuring and obtaining all of such insurance through its own sources.

Insurance carried by Tenant as required by this paragraph shall be carried in favor of Landlord and Tenant, as their respective interests may appear, and shall, whenever appropriate and if requested by Landlord, include the interest of the holder of any mortgage on the fee or leasehold interest. Tenant shall procure policies for all insurance carried by it as required by this paragraph for periods of not less than one (1) year, and shall deliver to Landlord such policies with evidence satisfactory to Landlord of the payment of premiums thereon, and shall procure renewals thereof from time to time at lease by the expiration of such policies.

16. Waiver of Subrogation:

Landlord and Tenant hereby release the other from any and all liability or responsibility to the other or anyone claiming through

or under them by way of subrogation or otherwise for any loss or damage to property caused by fire or any of the extended coverage or supplementary contract casualties, even if such fire or other casualty was caused by the negligence of Landlord or Tenant, provided, however, that this release shall be applicable and in force and effect only with respect to loss or damage occurring during such time as the releaser's policies shall contain a clause or endorsement to the effect that any such release shall not adversely affect or impair said policies or prejudice the right of the releaser to recover thereunder.

Landlord and Tenant each agree that it will request its insurance carrier to include in its policies such clause or endorsement.

17. Liens and Insolvency:

Tenant shall keep the leased premises free from any liens arising out of any work performed for, materials furnished to, or obligations incurred by Tenant and shall hold Landlord harmless against the same.

18. Subletting or Assignment:

Tenant shall not sublet the whole or any part of the leased premises nor assign this Lease without the written consent of Landlord, which consent shall not be unreasonably withheld. No consent to assignment or subletting shall release Tenant from the obligations set forth herein, nor shall such consent, once given, bar Landlord from refusing to consent to any further assignment or subletting.

19. Damage or Destruction:

In the event that the leased premises are rendered untenable in whole or in part by fire, the elements or other casualty, Landlord may elect, at its option, not to restore or rebuild the leased premises and shall so notify Tenant, in which event Tenant shall vacate the leased premises and this Lease shall be terminated. In the alternative. Landlord shall notify Tenant, within thirty (30) days after such casualty, that Landlord will undertake to rebuild or restore the leased premises, and that such work can be completed within one hundred eighty (180) days from the date of such notice of intent. If Landlord is unable to restore or rebuild the leased premises within said one hundred eighty (180) days, then this Lease may be terminated at Tenant's option by ten (10) days written notice to Landlord. During the period of untenability, rent shall abate in the same ratio as the portion of the leased premises rendered untenable bears to the whole of the leased premises.

20. Eminent Domain:

(a) Total Condemnation: If the whole of the leased premises shall be acquired or condemned by the exercise of the power of eminent domain, this Lease Agreement shall cease and terminate as of the date that either title or possession is transferred. All rentals shall be paid up to said date and Tenant shall have no claim against Landlord for the value of any unexpired term of this Lease Agreement.

(b) Partial Condemnation: If any part of the leased

premises shall be acquired or condemned by the exercise of the power of eminent domain, and in the event that such partial taking or condemnation shall render the leased premises unsuitable, in Tenant'[s opinion, for the contemplated business use, this Lease shall terminate as of the date that either title or possession is transferred and neither Landlord or Tenant shall have any claim against the other for the value of any unexpired term of this Lease Agreement. In the event of a partial taking or condemnation as set forth above, Tenant shall notify Landlord, Tenant will be deemed to have elected to continue this Lease Agreement in full force and effect.

(c) Tenant shall have no claim to any portion of any compensation received for the taking or condemnation, in whole or in part, of the leased premises.

21. Default in Payment of Rent:

If Tenant fails to pay any delinquent installment of rent within three (3) days after notice from Landlord, then Landlord shall be entitled to terminate this Lease and/or Tenant's rights hereunder and to re-enter and take possession of the leased premises. Notwithstanding such termination or retaking of possession by Landlord, Tenant shall remain liable for all delinquent rent due Landlord at the time of such termination as well as all rent due Landlord for the remainder of the term of this Lease Agreement. In accordance with paragraph 22 hereof, Landlord may sublet the whole or any part of the leased premises and Tenant shall pay Landlord any deficiency arising from the subsequent

leasing of the leased premises at a lesser rental than provided for herein.

22. Default and Re-entry:

If Tenant shall fail to keep and perform any of the covenants and agreements herein contained, other than the payment of rent, and such failure continues for thirty (30) days after written notice from Landlord, unless appropriate action has been taken by Tenant in good faith to cure such failure, Landlord may terminate this Lease and/or Tenant's rights hereunder and re-enter the leased premises, and sublet the whole or any part thereof upon as favorable terms and conditions as the market will allow for the balance of the term of this Lease and Tenant covenants and agrees to pay such deficiency each month as the amount thereof is ascertained by Landlord. However, the ability of Landlord to re-enter and sublet shall not impose upon Landlord to obligation to do so.

23. Subordination:

Upon request of the Landlord, Tenant will in writing subordinate its rights hereunder to the lien of any mortgage or deed of trust, to any bank or lending institution now or hereafter in force against the leased premises or the property in which the leased premises are located, and to all advances made or hereafter to be made upon the security thereof.

24. Removal of Property:

In the event Landlord lawfully re-enters the leased premises as provided herein, Landlord shall have the right, but not the

obligation, to remove all personal property located therein and to place such property in storage at the expense and risk of Tenant.

25. Security Deposit:

26. Invalid Provision:

If any terms or provisions of this Lease Agreement are determined to be invalid or unenforceable, the remaining terms and provisions shall nevertheless remain in full force and effect.

27. Non-Waiver of Breach:

The failure of Landlord to insist upon strict performance of any of the terms and provisions hereof shall not be construed as a waiver or relinquishment of such terms and provisions, but the same shall be and remain in full force and effect.

28. Landlord's Remedies:

No rights or remedies granted herein to Landlord shall limit Landlord's rights or remedies otherwise available to Landlord by law or in equity and Landlord shall be entitled to exercise all such rights or remedies separately or concurrently with those granted to Landlord under this Lease Agreement.

No termination of this lease or of Tenant's rights hereunder by Landlord shall relieve Tenant of any of its obligations hereunder and all rights of Landlord shall survive any such termination.

29. Costs and Attorney's Fees:

If by reason of any default or breach on the part of either

party in the performance of any of the provisions of this Lease, a legal action is instituted, the Most prevailing party shall be entitled to an awarded of reasonable costs and attorney's fees in connection therewith. It is agreed that the venue of any legal action brought under the terms of this Lease shall be in King County, State of Washington.

30. Holding Over:

If Tenant, with the implied or express consent of Landlord, shall hold over after the expiration of the term of this Lease, Tenant shall remain bound by all the terms, covenants and agreements herein, except that the tenancy shall be from month to month.

31. Agreement is Binding:

The covenants and agreements of this Lease Agreement shall be binding upon the heirs, executors, administrators, successors and assigns of the parties hereto, except as herein above provided.

32. TIME IS OF THE ESSENCE OF THIS LEASE.

33. Entire Agreement:

This Agreement represents the entire agreement of the parties and may not be modified or amended without the written consent of the parties hereto.

34. Constructors-Pamco and it's employees to have access through subject property during normal business hours. Constructors-Pamco and it' employees will notify Tenant prior to needed ingress and egress access to yard area at times other than normal business hours, and Tenant will provide such access.

IN WITNESS WHEREOF, the parties have executed this agreement  
on the day and year first above written.

LANDLORD;

FREMONT ASSOCIATES

BY *D. Scheumann*  
TITLE: Partner

TENANT:

DICK'S TOWING AND ROAD SERVICE, INC.

BY *Malcolm*  
TITLE: Owner

STATE OF WASHINGTON )  
COUNTY OF KING )

On this 13 day of July, 1992, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Douglas R. Scheumann known by me to be the managing partner of Fremont Associates, the partnership that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said partnership, for the uses and purposed therein mentioned, and on oath stated that he was authorized to executed the said instrument.

WITNESS my hand and official seal hereto affixed the day and year first above written.

Charles Barclay  
NOTARY PUBLIC in and for the State  
of Washington, Residing in Kent, WA.

STATE OF WASHINGTON )  
COUNTY OF KING )

On this 13 day of July, 1992, before me, the undersigned, a Notary Public in and for the state of Washington duly commissioned and sworn, personally appeared Melvin E Dickey known by me to be the Owner of Dick's Towing and Road Service, Inc., the corporation that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said partnership, for the uses and purposed therein mentioned, and on oath stated that he was authorized to executed the said instrument.

WITNESS my hand and official seal hereto affixed the day and year first above written.

Charles Barclay  
NOTARY PUBLIC in and for the State  
of Washington, Residing at Kent, WA.

B:\DICKTRSI.LSE  
5/6/92

LEASE AGREEMENT

~~DRAFT PURPOSES ONLY~~

*[Handwritten signature]*

This Lease Agreement is made this 25<sup>th</sup> day of March, 1998, by and between Fremont Associates, a Washington General Partnership, hereinafter referred to as "Landlord", and The Maust Corporation, a Washington Corporation hereinafter referred to as "Tenant".

The parties agree as follows:

1. Description of Premises

Landlord does hereby lease to Tenant according to the terms of this Agreement, those certain Premises as described on Exhibit "A", Plot Plan, and as legally described in Exhibit B, "Legal Description", attached hereto and incorporated herein by this reference (the "Premises"), together with all improvements and personal property thereon, including, but not limited to, an office trailer presently in place.

Lessor will be allowed to use a part of the yard and two buildings until such time as they have disposed of their remaining equipment. Lessor may be allowed in yard to work on or show for sale their equipment stored there.

2. Term

The term of this Lease shall be for ~~forty-eight~~ <sup>six mo</sup> months commencing ~~May 1, 1998~~ <sup>June 25<sup>th</sup> 1998</sup> and ending April 30, 2002.

3. Rent

Tenant agrees to pay Landlord, without notice or demand and without set off or deduction, monthly rent (the "Rent"), in the amount of ~~██████████~~ Thousand United States Dollars ~~██████████~~ per month, in advance, on the 1st day of the month. In addition, there shall be a CPI adjustment to the monthly rent on ~~May 1, 1999~~ <sup>June 25<sup>th</sup></sup> and each 12 month period thereafter. The adjustment shall be not less than 2% nor more than 5%, but in no case shall the rent be less than the previous months rent. The Seattle-Tacoma CPI for all urban consumers is to be used.

*[Handwritten signature]*

Tenant agrees to pay a late charge of two percent (2%) per month with respect to any Rent payment which is received by Landlord more than ten (10) days after the due date thereof (the due date is the first day of each month).

#### 4. Utilities and Fees

Tenant agrees to pay directly all charges for light, heat, water, sewer, garbage, drainage, metro and all other utilities and services to the Premises during the term of this Lease. Tenant further agrees to pay directly, in addition to the Rent provided for therein, all license fees and other governmental charges levied on the operation of Tenant's business on the Premises.

#### 5. Taxes and Insurance

Tenant agrees to reimburse Landlord for all taxes levied or assessed against or with respect to the Premises. Tenant further agrees to reimburse Landlord for the cost of insuring the office trailer. Contents and other personal property belonging to tenant are the responsibility of the tenant.

Should there presently be in effect or should there be enacted during the term of this lease any law, statute or ordinance levying any tax (other than federal or state income taxes) upon rents, Tenant shall pay such tax or shall reimburse Landlord on demand for any such taxes paid by Landlord.

If Landlord receives prior notice that an appraisal of the Building or any portion thereof in which any portion of the Premises is located will be conducted for property tax purposes, Landlord will so notify Tenant and permit Tenant to be present during such appraisal if Tenant so elects. Landlord will promptly notify Tenant of the amount of any tax assessment with respect to the Building in which the Premises are located. Tenant shall have the right, in Landlord's name and at Tenant's expense, to contest the validity or amount of any such assessment. Landlord shall cooperate with Tenant and provide reasonable assistance with respect to any such contest, including, without limitation, such information and supporting documents as may be reasonably requested by Tenant.

#### 6. Use of Premises

Tenant intends to use the leased premises for storage of truck and trailer and construction equipment. Tenant shall not use the Premises for any other purpose without the consent of Landlord, which consent shall not be unreasonably withheld.

#### 7. Changes and Alterations

Tenant may make alterations, additions or improvements upon the Premises at Tenant's expense. Any such alterations, additions or improvements shall be subject to Landlord's consent, which consent shall not be unreasonably withheld. Any proposed alterations, additions or improvements to the Premises shall be submitted to Landlord and Landlord shall have thirty (30) days from receipt in which to disapprove the proposed alteration, additions or improvements. In the event that Landlord takes no action within such thirty (30) day period, Tenant may at the end of such thirty (30) days proceed with the proposed alterations, additions or improvements as if Landlord had consented.

In the performance of any work connected with alterations, additions or improvements to the Premises, Tenant agrees to comply with all laws, ordinances, rules and regulations of any proper public authority.

All leasehold alterations, additions or improvements, excluding fixtures and equipment, shall become the property of Landlord upon completion, unless Landlord shall otherwise agree in writing and in such latter event, Tenant shall remove such improvements at Tenant's expense prior to the termination of this lease upon written notice from Landlord. Any improvements not so removed shall be removed at Tenant's expense and Tenant shall pay for repairs for all damage caused by such removal.

#### 8. Acceptance and Maintenance of Premises

Tenant has examined the Premises, and accepts them in their present condition. Tenant shall, at its own expense and at all times keep the Premises neat, clean and in a sanitary condition, and keep and use the Premises in accordance with applicable laws, ordinances, rules, regulations and requirements of governmental authorities. Tenant shall

not permit waste, damage or injury to the Premises. Tenant shall be solely responsible for any and all repairs to and maintenance of the Premises and Tenant agrees to perform at its own expense such maintenance and repair as may be necessary to maintain the Premises and the improvements thereon in good condition, normal wear and tear accepted.

If, in Landlord's opinion, Tenant shall fail to keep and preserve the Premises in a fit condition and state of repair, Landlord may, at its options, and without waiver of any other remedies available to Landlord, put or cause the same to be put into the condition and state of repair agreed upon, and in such case, Tenant shall pay the cost thereof upon demand from Landlord. Landlord shall, at its expense, maintain the roof, exterior shell (except glass) and foundation and structural integrity of the office trailer.

9. Surrender of Leased Premises

Tenant agrees that upon termination of this Lease Agreement, Tenant will quit and surrender the Premises in a neat and clean condition and shall deliver to Landlord all keys belonging to said Premises.

Upon termination of this Lease, Tenant shall have the right to remove from the Premises any and all signs and advertising materials, all moveable equipment and moveable trade fixtures, inventory and personal property.

10. Access

Landlord shall, upon five (5) days notice, have the right to enter the Premises at all reasonable times for the purpose of inspection or of making repairs, additions or alterations, and to show the Premises to prospective tenants for a period commencing six (6) months prior to the expiration of the Lease term. This right of access shall not be construed as an agreement by Landlord to make any repairs, additions or alterations which are the responsibility of Tenant pursuant to paragraph 8 hereof.

11. Signs

Tenant shall be entitled to install signs and other advertising materials, structures or fixtures on the Premises at Tenant's expense and as reasonably necessary to advertise

Tenant's business, provided such signs and advertising materials, structures or fixtures are approved in advance by Landlord, which approval shall not be unreasonably withheld.

#### 12. Payments and Notices

All rent payment shall be made as instructed by Landlord. Any notices required by this Lease Agreement shall be sent postage pre-paid to Landlord at 700 North 36th Street, Seattle, Washington 98103, or at such other address as Landlord shall furnish to Tenant in writing. Any notices required by the Lease Agreement shall be sent postage pre-paid to Tenant at The Maust Corporation, PO Box 24966, Seattle, Washington 98124 or such other address as Tenant shall furnish to Landlord in writing. Any notices given pursuant to the terms of this Lease shall be deemed delivered (received) when personally delivered or three (3) days after deposit into the United States mail. Mailed notices shall be sent certified mail, return receipt requested.

#### 13. Personnel

Tenant shall, at its expense, furnish the personnel required to properly operate the Premises.

#### 14. Indemnity, Insurance, Waiver of Claims, Subrogation

- (1) Indemnity Tenant shall indemnify and hold Landlord harmless from and against any and all claims of liability for bodily injury to or death of any person, or damage to any property arising out of Tenant's use of the Premises, or from the conduct of Tenant's business, or from any activity, work or thing done, permitted, or suffered by Tenant in or about the Premises, except:
  - (i) claims and liabilities occasioned in whole or in part by the negligent acts or omissions of Landlord, its agents, or employees; or
  - (ii) claims and liabilities for property damage addressed in Clause 14.3 entitled "Mutual Waiver of Claims".

Such indemnity shall include all reasonable costs, attorney's fees, and expenses incurred in the defense of any such claim or any action or proceeding brought thereon. This indemnity will be applicable to a claim only if the Landlord:

- (a) notifies Tenant of the claim or liability in writing within sixty (60) days after the Landlord receives notice of the claim or liability.
  - (b) permits Tenant to defend or settle against the claim or liability; and
  - (c) cooperates with Tenant in any defense of settlement against the claim or liability.
- (2) Tenant's Insurance Tenant, at Tenant's own cost and expense, will provide and keep in full force and effect during the term of this Lease, public liability insurance with limits of not less than One Million Dollars (\$1,000,000.00) covering bodily injuries to persons, including death, and loss of or damage to real and personal property. Such insurance may be provided under Tenant's blanket comprehensive liability insurance policy. During the term of this Lease, Landlord shall be named as an additional insured under such insurance to the extent of Tenant's undertaking set forth in Clause 14.1, entitled "Indemnity". A certificate evidencing such insurance coverage shall be delivered to Landlord not less than fifteen (15) days following the commencement of the Term hereof. Such certificate of insurance will provide for fifteen (15) days advance notice in the event of cancellation.
- (3) Mutual Waiver of Claims Landlord and Tenant do each herewith and hereby release and relieve the other, and waive their entire claim or recovery for loss or damage to property arising out of or incident to fire, lightning, or any other perils normally included in a standard all risk physical damage insurance policy containing an extended coverage and special

extended coverage endorsement, when such property constitutes the Premises or the Building or is in, on or about the Premises, Building or land on which the Building is situated, whether or not such loss or damage is due to the negligence of Landlord or Tenant, their agents, employees, guests, licensees, invitees or contractors. The parties shall comply with the requirements of Section 14.4 as it applies to amended Section 14.3 and otherwise according to its terms.

- (4) Mutual Waiver of Subrogation Each of Landlord and Tenant shall cause its insurance carriers to waive all rights of subrogation against the other party hereto to the extent of Landlord's or Tenant's undertaking set forth in Clause 14.1 entitled "Indemnity", and Clause 14.3 entitled "Mutual Waiver of Claims".

15. Hazardous Substances

- (1) Hazardous Substances Use Any and all use, storage, release, handling, transportation, treatment, or storage by Tenant of Hazardous Substances (as defined in Section 15(4) below) on the Premises shall be carried out in substantial compliance with all applicable federal, state and local laws, ordinances and regulations. Intentional disposal of Hazardous Substances shall not occur on the Premises under any circumstances except as permitted by law.
- (2) Representation Landlord hereby represents and warrants that to the best of Landlord's knowledge, and Landlord having no obligation to have made any independent study or investigation, (i) there have been no significant releases of Hazardous Substances at the Premises; and (ii) that Landlord has no reason to believe that Hazardous Substances have in the past been used, generated, treated, stored or disposed of at the Premises; and (iii) no claims of liability relating to the presence of adverse environmental conditions at or

on the Premises has been made or is threatened by any government agency or other third party.

- (3) Indemnification Tenant shall indemnify, defend and hold harmless Landlord from any and all claims of liability asserted against Landlord by a third party including without limitation any agency or instrumentality of the federal, state or local government, for bodily injury, including death of a person, physical damage to or loss of use of property, or cleanup activities to the extent required by applicable law (remedial or removal), arising out of or relating to the release or threats of release of any Hazardous Substance by Tenant, its agents, employees, invitees and contractors, while such Tenant, its agents, employees, invitees and contractors are on the Premises, during the term of the Lease.

Landlord shall indemnify, defend and hold harmless Tenant from and against any and all claims of liability asserted against Tenant by a third party including without limitation any agency or instrumentality of the federal, state or local government, for bodily injury, including death of a person, physical damage to or loss of use of property, or cleanup activities to the extent required by applicable law (remedial or removal), arising out of or relating to the release or threat of release of any Hazardous Substance existing at or emanating from the Premises, except to the extent caused by Tenant, its agents, employees, invitees and contractors, on the Premises, during the term of the Lease.

- (4) Definition, Hazardous Substances For purposes of this Lease, the term "Hazardous Substances" shall mean any dangerous waste, hazardous waste or hazardous substance as defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980 as amended (42 U.S.C. <9601 et seq.); or the Resource Conservation and Recovery Act as

amended (42 U.S.C. <9601 et seq.); or the Washington Model Toxics Control Act as amended (R.C.W. Ch. 70.105D); or the Washington Hazardous Waste Management Act as amended (R.C.W. Ch. 70.105).

16. Liens and Insolvency

Tenant shall keep the Premises free from any liens arising out of any work performed for, materials furnished to, or obligations incurred by Tenant.

17. Assignment, Subletting

- (1) Assignment by Tenant Tenant shall not voluntarily or by operation of law assign, mortgage or otherwise encumber all or any party of Tenant's interest in this Lease or in the Premises without obtaining the prior written consent of Landlord in each instance and any attempt to do so without first obtaining such consent shall be voidable at the option of the Landlord; provided, however, that Landlord shall not unreasonably withhold or delay such consent. Notwithstanding any of the foregoing, without the consent of Landlord, Tenant may voluntarily or by operation of law assign and delegate this Lease to the surviving corporation upon any reorganization, merger, consolidation or acquisition of Tenant, and Tenant may assign and delegate this Lease to its parent company, and wholly owned subsidiary or any affiliate. In the event of any approved assignment, Tenant shall be relieved of all liability under any covenant in this Lease from and after such assignment.
- (2) Subletting by Tenant Tenant shall not sublet the Premises without obtaining the prior written consent of Landlord, which consent of Landlord shall not be unreasonably withheld or delayed. Consent to one assignment, subletting or other transfer shall not be deemed to constitute consent to any subsequent assignment, subletting or other transfer of Tenant's interest in this Lease.

- (3) Assignment or Transfer by Landlord In the event Landlord shall assign or convey its interest in the remainder of this Lease or in the Premises, or any portion thereof, Landlord shall remain responsible for its obligations under this Lease, unless the assignee or other transferee assumes all obligations of Landlord under this Agreement by a written agreement in form reasonably acceptable to Tenant. Promptly after any such assignment or conveyance, Landlord will provide a copy of such written agreement to Tenant.

18. Damage or Destruction

In the event that the Premises are rendered untenable in whole or in part by fire, the elements, or other casualty, Landlord may elect, at its option, not to restore or rebuild the Premises and shall so notify Tenant, in which event Tenant shall vacate the Premises and this Lease will be terminated. In the alternative, Landlord shall notify Tenant, within thirty (30) days after such casualty, that Landlord will undertake to rebuild or restore the Premises, and that such work can be completed within sixty (60) days from the date of such notice of intent. If Landlord is unable to restore or rebuild the Premises within said sixty (60) days, then this Lease may be terminated at Tenant's option by ten (10) days written notice to Landlord. During the period untenability, Rent shall abate in the same ratio as the portion of the Premises rendered untenable bears to the whole of the Premises.

19. Eminent Domain

- (1) Total Condemnation If the whole of the Premises shall be acquired or condemned by the exercise of the power of eminent domain, this Lease Agreement shall cease and terminate as of the date that either title or possession is transferred. All rentals shall be paid up to said date, and Tenant shall have no claim against Landlord for the value of any unexpired term of this Lease Agreement.

- (2) Partial Condemnation If any part of the Premises shall be acquired or condemned by the exercise of the power eminent domain, and in the event that such partial taking or condemnation shall render the Premises unsuitable, in Tenant's opinion, for the contemplated business use, this Lease shall terminate as of the date that either title or possession is transferred, and neither Landlord nor Tenant shall have any claim against the other for the value of any unexpired term of this Lease Agreement. In the event of a partial taking or condemnation as set forth above, Tenant shall notify Landlord within twenty (20) days after the date that either title or possession is transferred whether Tenant elects to terminate this Lease Agreement or have this Lease Agreement continue in full force and effect.
- (3) Tenant shall have no claim to any portion of any compensation received for the taking or condemnation, in whole or in part, of the Premises.

20. Default in Payment of Rent

If Tenant fails to pay any delinquent installment of Rent within ten (10) days after notice from Landlord, then Landlord shall be entitled to terminate this Lease and/or Tenant's rights hereunder and to re-enter and take possession of the Premises. Notwithstanding such termination or retaking of possession by Landlord, Tenant shall remain liable for all delinquent Rent due Landlord at the time of such termination as well as all Rent due Landlord for the remainder of the term of this Lease Agreement. In accordance with paragraph 21 hereof, Landlord may sublet the whole or any part of the Premises and tenant shall pay Landlord any deficiency arising from the subsequent leasing of the Premises at a lesser rental than provided for herein.

21. Default and Re-Entry

If Tenant shall fail to keep and perform any of the covenants and agreements herein contained, other than the payment of Rent, and such failure continues for thirty (30) days after written notice from Landlord, unless appropriate action has been taken by

Tenant in good faith to be such failure, Landlord may terminate this Lease and/or Tenant's rights hereunder and re-enter the Premises, and/or Landlord may, with or without terminating this Lease, re-enter said Premises, and sublet the whole or any part thereof upon as favorable terms and conditions as the market will allow for the balance of the term of this Lease and Tenant covenants and agrees to pay to Landlord any deficiency arising from a reletting of the Premises at the lesser amount than herein agreed to. Tenant shall pay such deficiency each month as the amount thereof is ascertained by Landlord. However, the ability of Landlord to re-enter and sublet shall not impose upon Landlord the obligation to do so.

## 22. Removal of Property

In the event Landlord lawfully re-enters the Premises as provided herein, Landlord shall have the right, but not the obligation, to remove all the personal property located therein and to place such property in storage at the expense and risk of Tenant.

## 23. Landlord Default

In the event Landlord materially fails to perform any obligation of Landlord under this Lease, and (i) as to any such nonperformance which can practicably be cured within thirty (30) days, Landlord fails to cure such nonperformance within thirty (30) days of receipt of Tenant's notice of such nonperformance, or (ii) as to any such nonperformance which cannot practicably be cured within thirty (30) days, Landlord fails to commence the cure of such nonperformance within thirty (30) days of receipt of Tenant's notice of such nonperformance or fails to diligently prosecute the cure of such nonperformance to completion, then Tenant may, but shall not be obligated to, cure such nonperformance. In the event Tenant elects to cure any such nonperformance, Landlord shall reimburse Tenant for all reasonable costs and expenses incurred by Tenant in effecting such cure. Such reimbursement shall be made within thirty (30) days of Landlord's receipt of an invoice for the amount of such costs and expenses. All rights and remedies of Tenant under this Lease

shall be cumulative and shall not be exclusive of any other rights and remedies provided to Tenant under applicable law.

#### 24. Subordination

Tenant agrees that this Lease shall be subordinate to any ground lease or underlying lease, mortgage, deed of trust or other lien covering the Premises, upon and subject to the following terms and conditions. Tenant's subordination hereunder is expressly conditioned on execution and delivery to Tenant by each lessor under a ground lease or underlying lease, each mortgagee, each lienholder and each beneficiary of a deed of trust by whom subordination is hereafter requested, of a nondisturbance agreement reasonably acceptable to Tenant. Such agreement shall be in a form typically used for commercial tenancies, shall be in recordable form and shall recognize Tenant's rights under this Lease in the event Landlord's interest is terminated while this Lease is in full force and effect. Such nondisturbance agreement shall include, among other things, a provision to the effect that in the event of a termination of the ground or underlying lease or foreclosure of the mortgage, deed of trust or other lien in favor of said secured party, or upon a sale of the property encumbered thereby pursuant to the trustee's power of sale contained therein, or upon a transfer of the Building or the Real Property by deed in lieu of foreclosure, then for so long as Tenant is not in material default under the terms, covenants, and conditions of this Lease, this Lease shall continue in full force and effect as a direct Lease between the owner or succeeding owner of the Real Property or the Building (as appropriate), as Landlord, and Tenant for the balance of the term of this Lease, upon and subject to all of the terms, covenants and conditions of this Lease. Such nondisturbance agreement shall not include any terms which are inconsistent with the terms of this Lease or which adversely affect Tenant's rights, or increase Tenant's obligations, under this Lease.

#### 25. Landlord Authority to Lease

Landlord acknowledges that Landlord is Lessee of the Premises under a Lease dated May 17, 1985, which has been amended on N/A, with The Desimone Trust

("Lessor") whose address: c/o Northwestern Trust & Investors Advisory Company, 1201 Third Avenue, Seattle, WA 98101 referred to hereinafter as the ("Senior Lease").

Landlord warrants that it has the right to execute this Lease under the terms of the Senior Lease, and that no terms or conditions of this Lease violates any terms or conditions of the Senior Lease. Landlord warrants that the Senior Lease shall not expire in time prior to the expiration of this Lease or any extension thereof. Landlord will not amend, modify, supplement, or alter the Senior Lease as it relates to the Premises without the prior written consent of Tenant.

#### 26. Invalid Provision

If any terms or provisions of this Lease Agreement are determined to be invalid or unenforceable, the remaining terms and provisions shall nevertheless remain in full force and effect.

#### 27. Non-Waiver of Breach

The failure of Landlord to insist upon strict performance of any of the terms and provisions hereof shall not be construed as a waiver or relinquishment of such terms and provisions, but the same shall be and remain in full force and effect.

#### 28. Landlord's Remedies

No rights or remedies granted herein to Landlord shall limit Landlord's rights or remedies otherwise available to Landlord in law or in equity and Landlord shall be entitled to exercise all such rights or remedies separately or concurrently with those granted to Landlord under this Lease Agreement.

No early termination of this Lease or of Tenant's rights hereunder by Landlord shall relieve Tenant of any of its obligations hereunder and all right of Landlord shall survive any such termination.

#### 29. Costs and Attorneys' Fees

If by reason of any default or breach on the part of either party in the performance of any of the provisions of this Lease, a legal action is instituted, the most prevailing party

shall be entitled to an award of reasonable costs and attorneys' fees in connection therewith. It is agreed that the venue of any legal action brought under the terms of this Lease shall be in King County, State of Washington.

30. Agreement is Binding

The covenants and agreements of this Lease shall be binding upon the heirs, executors, administrators, successors and assigns of the parties hereto, except as hereinabove provided.

31. TIME IS OF THE ESSENCE OF THIS LEASE

32. Entire Agreement

This Lease Agreement represents the entire agreement of the parties and may not be modified or amended without the written consent of the parties hereto.

33. Hold Over

If Tenant, with the implied or express consent of Landlord, shall hold over after the expiration of the term of this Lease, Tenant shall remain bound by all the terms, covenants and agreements herein, except that the tenancy shall be from month to month.

Tenant will inform Landlord ninety (90) days prior to expiration of Lease if they desire to exercise the Hold Over Clause. Such Hold Over to be by mutual consent.

34. Quiet Enjoyment

Landlord warrants and covenants that, during the Lease Term, Tenant shall have the exclusive right to possession and quiet enjoyment of the Premises and shall have, hold and enjoy the Premises peacefully and quietly, without any manner of let, suit, trouble or hindrance.

35. Option to Terminate Lease Early

Lessor reserves the right to terminate this lease at any time with 12 months written notice. As consideration for early termination the Lessor agrees to pay the Lessee the sum of \$50,000 at the time of termination to cover relocation expenses.

IN WITNESS WHEREOF, the parties have executed this Agreement on the day and year  
first above written.

LANDLORD:  
Fremont Associates, a Washington  
General Partnership

BY: Douglass Scheumann 3-30-98  
Managing Partner by D L Firth - agent  
DATE: 3/25/98

TENANT:

The Maust Corporation, a  
~~Washington~~ Corporation

BY: Larry J. Dennis, President  
Leasee  
DATE: 3/25/98

EXHJ "T" "A"

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BOEING ADVANCED SYSTEMS

DESIGNATION  
1964  
32011530

Govt Lot  
13.80 Acres

**NELSON TRUCK & BKG**

**EXTRA LEASE**

4 Acre  
174,240 sq ft  
445' Deep  
392' Wide

**2 Acres**  
**87,220 sq**  
**ft**  
**196' Wide**  
**445' Deep**

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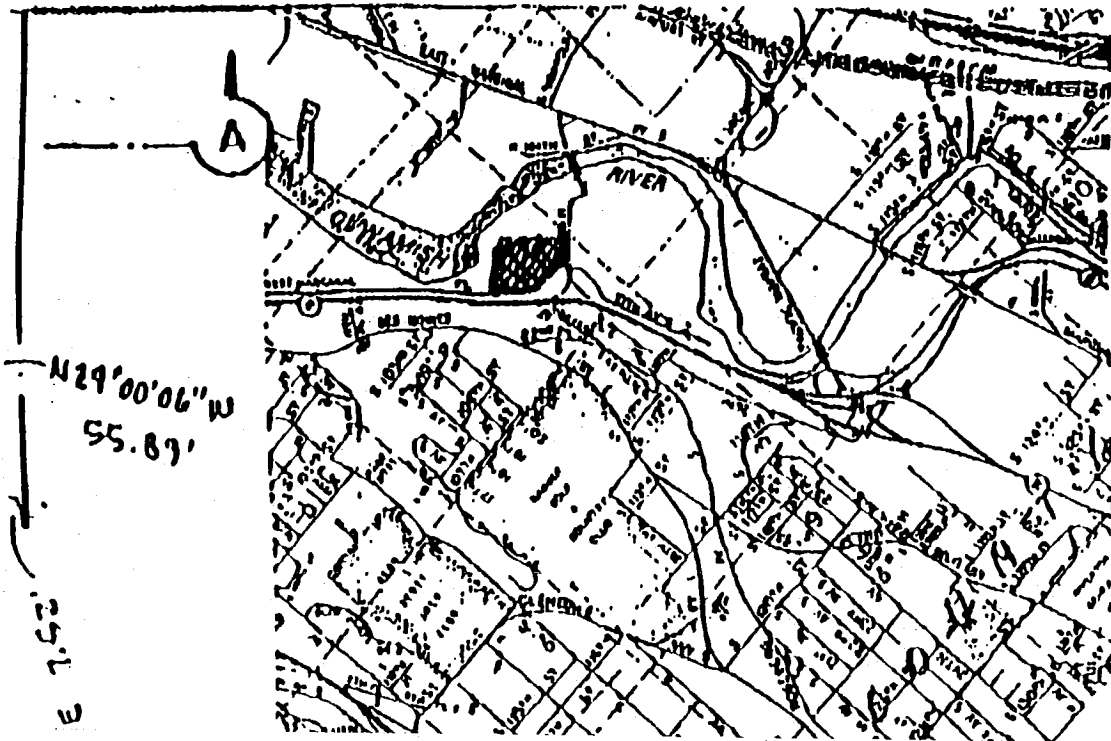
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DUMMAMISH TRANSMISSION S LINE R.-W.

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"Exhibit B"



## LEASE AMENDMENT

This Lease Amendment, dated 3/31/97 is made between FREMONT ASSOCIATES (Lessor) and T.M.S. Joint Venture (Lessee).

WHEREAS, Lessor and Lessee have entered into a lease dated 3/3/95 (Lease) covering the premises described in Exhibit "A" of the Lease, and Lessor and Lessee wish to amend said Lease

NOW, THEREFOR, Lessor and Lessee agree as follows: The term shall be for 3 years and 0 months beginning 5/1/97 and ending 4/30/2000. Further, the rental rate shall be [REDACTED] for the first 12 months, and \*see below for the remaining 24 months. All other terms and conditions of the agreement shall remain the same except:

\*The rental rate for the second 12 month period shall be [REDACTED] month and [REDACTED] month for the third 12 month period.

The Lessee reserves the right to terminate the lease at the end of the first or second year by giving written notice at least 90 days previous to the end of the current lease period. If no notice is given the lease will continue for another 12 month period as per the agreement.

The Lessor grants the Lessee a First Right to lease the "Nelson Yard" (105,000 sq.ft.) beginning 5/1/98 at the same terms as their existing lease, provided the present tenant (Nelson Trucking) chooses not to continue occupancy or Lessor chooses not to extend their lease. Note: Fremont occupies two of the sheds and 2500 sq.ft. of yard. Rental rate for the yard would be [REDACTED] month for the first 12 month period and [REDACTED] month for the second 12 month period.

The Lessor reserves the right to terminate the lease with one (1) year notice should there be a proposed change in the use of the property. Should such notice be given, the Lessor will pay the Lessee \$50,000 on the termination date to cover the cost of relocation. Said date to be one year from date of notice.

LESSOR:

FREMONT ASSOCIATES

By: [Signature]

04-02-96

LESSEE:

T.M.S. Joint Venture

By: [Signature]

## LEASE AGREEMENT

This Lease Agreement is made this 31<sup>st</sup> day of March, 1995, by and between Fremont Associates, a Washington General partnership, hereinafter referred to as "Landlord", and T.M.S. ~~Corporation~~, a Joint Venture, ~~corporation~~ hereinafter referred to as "Tenant".

The parties agree as follows:

### 1. Description of Premises

Landlord does hereby lease to Tenant according to the terms of this Agreement, those certain Premises as described on Exhibit "A", Plot Plan, and as legally described in Exhibit B, "Legal Description", attached hereto and incorporated herein by this reference (the "Premises"), together with all improvements and personal property thereon, including, but not limited to, a double wide office trailer presently in place.

### 2. Term

The term of this Lease shall be for twenty ~~six~~ <sup>four</sup> months commencing <sup>May</sup> ~~March~~ 1, 1995 and ending April 30, 1997.

### 3. Rent

Tenant agrees to pay Landlord, without notice or demand and without set off or deduction, monthly rent (the "Rent"), in the amount of ~~██████████~~ United States Dollars ~~██████████~~ per month, in advance, on the 1st day of the month. First and last months' rent to be paid ~~March 1, 1995~~ upon removal of contingency in Addendum #2.

Tenant agrees to pay a late charge of two percent (2%) per month with respect to any Rent payment which is received by Landlord more than ten (10) days after the due date thereof (the due date is the first day of each month).

### 4. Utilities and Fees

Tenant agrees to pay directly all charges for light, heat, water, sewer, garbage, drainage, metro and all other utilities and services to the Premises during the term of this Lease. Tenant further agrees to pay directly, in addition to the Rent provided for therein

all license fees and other governmental charges levied on the operation of Tenant's business on the Premises.

#### 5. Taxes and Insurance

Tenant agrees to reimburse Landlord for all taxes levied or assessed against or with respect to the Premises. Tenant further agrees to ~~reimburse Landlord for the cost of~~ insure trailer and provide proof of insurance to Landlord. TJ

Should there presently be in effect or should there be enacted during the term of this lease any law, statute or ordinance levying any tax (other than federal or state income taxes) upon rents, Tenant shall pay such tax or shall reimburse Landlord on demand for any such taxes paid by Landlord.

If Landlord receives prior notice that an appraisal of the Building or any portion thereof in which any portion of the Premises is located will be conducted for property tax purposes, Landlord will so notify Tenant and permit Tenant to be present during such appraisal if Tenant so elects. Landlord will promptly notify Tenant of the amount of any tax assessment with respect to the Building in which the Premises are located. Tenant shall have the right, in Landlord's name and at Tenant's expense, to contest the validity or amount of any such assessment. Landlord shall cooperate with Tenant and provide reasonable assistance with respect to any such contest, including, without limitation, such information and supporting documents as may be reasonably requested by Tenant.

#### 6. Use of Premises

Tenant intends to use the leased premises for the operation of container storage and repair, and for general office use. Tenant shall not use the Premises for any other purpose without the consent of Landlord, which consent shall not be unreasonably withheld.

#### 7. Changes and Alterations

Tenant may make alterations, additions or improvements upon the Premises at Tenant's expense. Any such alterations, additions or improvements shall be subject to Landlord's consent, which consent shall not be unreasonably withheld. Any proposed D

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Landlord's consent, which consent shall not be unreasonably withheld. Any proposed alterations, additions or improvements to the Premises shall be submitted to Landlord and Landlord shall have thirty (30) days from receipt in which to disapprove the proposed alteration, additions or improvements. In the event that Landlord takes no action within such thirty (30) day period, Tenant may at the end of such thirty (30) days proceed with the proposed alterations, additions or improvements as if Landlord had consented.

In the performance of any work connected with alterations, additions or improvements to the Premises, Tenant agrees to comply with all laws, ordinances, rules and regulations of any proper public authority.

All leasehold alterations, additions or improvements, excluding fixtures and equipment, shall become the property of Landlord upon completion, unless Landlord shall otherwise agree in writing and in such latter event, Tenant shall remove such improvements at Tenant's expense prior to the termination of this lease upon written notice from Landlord. Any improvements not so removed shall be removed at Tenant's expense and Tenant shall pay for repairs for all damage caused by such removal.

#### 8. Acceptance and Maintenance of Premises

Tenant has examined the Premises, and accepts them in their present condition as described on Exhibit "C", Delivery of Premises, incorporated herein. Tenant shall, at its own expense and at all times keep the Premises neat, clean and in a sanitary condition, and keep and use the Premises in accordance with applicable laws, ordinances, rules, regulations and requirements of governmental authorities. Tenant shall not permit waste, damage or injury to the Premises. Tenant shall be solely responsible for any and all repairs to and maintenance of the Premises and Tenant agrees to perform at its own expense such maintenance and repair as may be necessary to maintain the Premises and the improvements thereon in good condition, normal wear and tear accepted.

If, in Landlord's opinion, Tenant shall fail to keep and preserve the Premises in a fit condition and state of repair, Landlord may, at its options, and without waiver of any other

remedies available to Landlord, put or cause the same to be put into the condition and state of repair agreed upon, and in such case, Tenant shall pay the cost thereof upon demand from Landlord. Landlord shall, at its expense, maintain the roof, exterior shell (except glass) and foundation and structural integrity of the office trailer.

Landlord warrants that there are no outstanding levies on the property. 727

#### 9. Surrender of Leased Premises

Tenant agrees that upon termination of this Lease Agreement, Tenant will quit and surrender the Premises in a neat and clean condition and shall deliver to Landlord all keys belonging to said Premises.

Upon termination of this Lease, Tenant shall have the right to remove from the Premises any and all signs and advertising materials, all moveable equipment and moveable trade fixtures, inventory and personal property.

#### 10. Access

Landlord shall, upon five (5) days notice, have the right to enter the Premises at all reasonable times for the purpose of inspection or of making repairs, additions or alterations, and to show the Premises to prospective tenants for a period commencing six (6) months prior to the expiration of the Lease term. This right of access shall not be construed as an agreement by Landlord to make any repairs, additions or alterations which are the responsibility of Tenant pursuant to paragraph 8 hereof.

#### 11. Signs

Tenant shall be entitled to install signs and other advertising materials, structures or fixtures on the Premises at Tenant's expense and as reasonably necessary to advertise Tenant's business, provided such signs and advertising materials, structures or fixtures are approved in advance by Landlord, which approval shall not be unreasonably withheld.

#### 12. Payments and Notices

All rent payment shall be made as instructed by Landlord. Any notices required by this Lease Agreement shall be sent postage pre-paid to Landlord at 700 North 36th Street, Seattle, Washington 98103, or at such other address as Landlord shall furnish to Tenant in

writing. Any notices required by the Lease Agreement shall be sent postage pre-paid to  
a Joint Venture  
Tenant at T.M.S. Corporation \_\_\_\_\_ address 2 Lombard St., or such other  
San Francisco, CA 94111  
address as Tenant shall furnish to Landlord in writing. Any notices given pursuant to the  
terms of this Lease shall be deemed delivered (received) when personally delivered or three  
(3) days after deposit into the United States mail. Mailed notices shall be sent certified  
mail, return receipt requested.

13. Personnel

Tenant shall, at its expense, furnish the personnel required to properly operate the  
Premises.

14. Indemnity, Insurance, Waiver of Claims, Subrogation

- (1) Indemnity Tenant shall indemnify and hold Landlord harmless from and  
against any and all claims of liability for bodily injury to or death of any  
person, or damage to any property arising out of Tenant's use of the  
Premises, or from the conduct of Tenant's business, or from any activity,  
work or thing done, permitted, or suffered by Tenant in or about the  
Premises, except:

- (i) claims and liabilities occasioned in whole or in part by the negligent acts  
or omissions of Landlord, its agents, or employees; or
- (ii) claims and liabilities for property damage addressed in Clause 14.3  
entitled "Mutual Waiver of Claims".

Such indemnity shall include all reasonable costs, attorney's fees, and  
expenses incurred in the defense of any such claim or any action or  
proceeding brought thereon. This indemnity will be applicable to a claim  
only if the Landlord:

- (a) notifies Tenant of the claim or liability in writing within sixty (60) days  
after the Landlord receives notice of the claim or liability.
- (b) permits Tenant to defend or settle against the claim or liability; and

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(c) cooperates with Tenant in any defense of settlement against the claim or liability.

- (2) Tenant's Insurance Tenant, at Tenant's own cost and expense, will provide and keep in full force and effect during the term of this Lease, public liability insurance with limits of not less than One Million Dollars (\$1,000,000.00) covering bodily injuries to persons, including death, and loss of or damage to real and personal property. Such insurance may be provided under Tenant's blanket comprehensive liability insurance policy. During the term of this Lease, Landlord shall be named as an additional insured under such insurance to the extent of Tenant's undertaking set forth in Clause 14.1, entitled "Indemnity". A certificate evidencing such insurance coverage shall be delivered to Landlord not less than fifteen (15) days following the commencement of the Term hereof. Such certificate of insurance will provide for fifteen (15) days advance notice in the event of cancellation.

- (3) Mutual Waiver of Claims Landlord and Tenant do each herewith and hereby release and relieve the other, and waive their entire claim or recovery for loss or damage to property arising out of or incident to fire, lightning, or any other perils normally included in a standard all risk physical damage insurance policy containing an extended coverage and special extended coverage endorsement, when such property constitutes the Premises or the Building or is in, on or about the Premises, Building or land on which the Building is situated, whether or not such loss or damage is due to the negligence of Landlord or Tenant, their agents, employees, guests, licensees, invitees or contractors. The parties shall comply with the requirements of Section 14.4 as it applies to amended Section 14.3 and otherwise according to its terms.



- (4) Mutual Waiver of Subrogation Each of Landlord and Tenant shall cause its insurance carriers to waive all rights of subrogation against the other party hereto to the extent of Landlord's or Tenant's undertaking set forth in Clause 14.1 entitled "Indemnity", and Clause 14.3 entitled "Mutual Waiver of Claims".

15. Hazardous Substances

- (1) Hazardous Substances Use Any and all use, storage, release, handling, transportation, treatment, or storage by Tenant of Hazardous Substances (as defined in Section 15(4) below) on the Premises shall be carried out in substantial compliance with all applicable federal, state and local laws, ordinances and regulations. Intentional disposal of Hazardous Substances shall not occur on the Premises under any circumstances except as permitted by law.
- (2) Representation Landlord hereby represents and warrants that to the best of Landlord's knowledge, and Landlord having no obligation to have made any independent study or investigation, (i) there have been no releases of Hazardous Substances at the Premises; (ii) that Landlord has no reason to believe that Hazardous Substances have in the past been used, generated, treated, stored or disposed of at the Premises; and (iii) no claims of liability relating to the presence of adverse environmental conditions at or on the Premises has been made or is threatened by any government agency or other third party.
- (3) Indemnification Tenant shall indemnify, defend and hold harmless Landlord from any and all claims of liability asserted against Landlord by a third party including without limitation any agency or instrumentality of the federal, state or local government, for bodily injury, including death of a person, physical damage to or loss of use of property, or cleanup activities

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to the extent required by applicable law (remedial or removal), arising out of or relating to the release or threats of release of any Hazardous Substance by Tenant, its agents, employees, invitees and contractors, while such Tenant, its agents, employees, invitees and contractors are on the Premises, during the term of the Lease.

Landlord shall indemnify, defend and hold harmless Tenant from and against any and all claims of liability asserted against Tenant by a third party including without limitation any agency or instrumentality of the federal, state or local government, for bodily injury, including death of a person, physical damage to or loss of use of property, or cleanup activities to the extent required by applicable law (remedial or removal), arising out of or relating to the release or threat of release of any Hazardous Substance existing at or emanating from the Premises, except to the extent caused by Tenant, its agents, employees, invitees and contractors, on the Premises, during the term of the Lease.

- (4) Definition. Hazardous Substances For purposes of this Lease, the term "Hazardous Substances" shall mean any dangerous waste, hazardous waste or hazardous substance as defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980 as amended (42 U.S.C. <9601 et seq.); or the Resource Conservation and Recovery Act as amended (42 U.S.C. <9601 et seq.); or the Washington Model Toxics Control Act as amended (R.C.W. Ch. 70.105D); or the Washington Hazardous Waste Management Act as amended (R.C.W. Ch. 70.105).

16. Liens and Insolvency

Tenant shall keep the Premises free from any liens arising out of any work performed for, materials furnished to, or obligations incurred by Tenant.

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*[Handwritten signature]*

17. Assignment, Subletting

- (1) Assignment by Tenant Tenant shall not voluntarily or by operation of law assign, mortgage or otherwise encumber all or any part of Tenant's interest in this Lease or in the Premises without obtaining the prior written consent of Landlord in each instance and any attempt to do so without first obtaining such consent shall be voidable at the option of the Landlord; provided, however, that Landlord shall not unreasonably withhold or delay such consent. Notwithstanding any of the foregoing, without the consent of Landlord, Tenant may voluntarily or by operation of law assign and delegate this Lease to the surviving corporation upon any reorganization, merger, consolidation or acquisition of Tenant, and Tenant may assign and delegate this Lease to its parent company, and wholly owned subsidiary or any affiliate. In the event of any approved assignment, Tenant shall be relieved of all liability under any covenant in this Lease from and after such assignment.
- (2) Subletting by Tenant Tenant shall not sublet the Premises without obtaining the prior written consent of Landlord, which consent of Landlord shall not be unreasonably withheld or delayed. Consent to one assignment, subletting or other transfer shall not be deemed to constitute consent to any subsequent assignment, subletting or other transfer of Tenant's interest in this Lease.
- (3) Assignment or Transfer by Landlord In the event Landlord shall assign or convey its interest in the remainder of this Lease or in the Premises, or any portion thereof, Landlord shall remain responsible for its obligations under this Lease, unless the assignee or other transferee assumes all obligations of Landlord under this Agreement by a written agreement in form reasonably

acceptable to Tenant. Promptly after any such assignment or conveyance, Landlord will provide a copy of such written agreement to Tenant.

18. Damage or Destruction

In the event that the Premises are rendered untenantable in whole or in part by fire, the elements, or other casualty, Landlord may elect, at its option, not to restore or rebuild the Premises and shall so notify Tenant, in which event Tenant shall vacate the Premises and this Lease will be terminated. In the alternative, Landlord shall notify Tenant, within thirty (30) days after such casualty, that Landlord will undertake to rebuild or restore the Premises, and that such work can be completed within sixty (60) days from the date of such notice of intent. If Landlord is unable to restore or rebuild the Premises within said sixty (60) days, then this Lease may be terminated at Tenant's option by ten (10) days written notice to Landlord. During the period untenability, Rent shall abate in the same ratio as the portion of the Premises rendered untenantable bears to the whole of the Premises.

19. Eminent Domain

- (1) Total Condemnation If the whole of the Premises shall be acquired or condemned by the exercise of the power of eminent domain, this Lease Agreement shall cease and terminate as of the date that either title or possession is transferred. All rentals shall be paid up to said date, and Tenant shall have no claim against Landlord for the value of any unexpired term of this Lease Agreement.
- (2) Partial Condemnation If any part of the Premises shall be acquired or condemned by the exercise of the power eminent domain, and in the event that such partial taking or condemnation shall render the Premises unsuitable, in Tenant's opinion, for the contemplated business use, this Lease shall terminate as of the date that either title or possession is transferred, and neither Landlord nor Tenant shall have any claim against

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the other for the value of any unexpired term of this Lease Agreement. In the event of a partial taking or condemnation as set forth above, Tenant shall notify Landlord within twenty (20) days after the date that either title or possession is transferred whether Tenant elects to terminate this Lease Agreement or have this Lease Agreement continue in full force and effect.

- (3) Tenant shall have no claim to any portion of any compensation received for the taking or condemnation, in whole or in part, of the Premises.

20. Default in Payment of Rent

If Tenant fails to pay any delinquent installment of Rent within ten (10) days after notice from Landlord, then Landlord shall be entitled to terminate this Lease and/or Tenant's rights hereunder and to re-enter and take possession of the Premises. Notwithstanding such termination or retaking of possession by Landlord, Tenant shall remain liable for all delinquent Rent due Landlord at the time of such termination as well as all Rent due Landlord for the remainder of the term of this Lease Agreement. In accordance with paragraph 21 hereof, Landlord may sublet the whole or any part of the Premises and tenant shall pay Landlord any deficiency arising from the subsequent leasing of the Premises at a lesser rental than provided for herein.

21. Default and Re-Entry

If Tenant shall fail to keep and perform any of the covenants and agreements herein contained, other than the payment of Rent, and such failure continues for thirty (30) days after written notice from Landlord, unless appropriate action has been taken by Tenant in good faith to cure such failure, Landlord may terminate this Lease and/or Tenant's rights hereunder and re-enter the Premises, and/or Landlord may, with or without terminating this Lease, re-enter said Premises, and sublet the whole or any part thereof upon as favorable terms and conditions as the market will allow for the balance of the term of this Lease and Tenant covenants and agrees to pay to Landlord any deficiency arising from a reletting of the Premises at the lesser amount than herein agreed to. Tenant shall

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pay such deficiency each month as the amount thereof is ascertained by Landlord.

However, the ability of Landlord to re-enter and sublet shall not impose upon Landlord the obligation to do so.

## 22. Removal of Property

In the event Landlord lawfully re-enters the Premises as provided herein, Landlord shall have the right, but not the obligation, to remove all the personal property located therein and to place such property in storage at the expense and risk of Tenant.

## 23. Landlord Default

In the event Landlord materially fails to perform any obligation of Landlord under this Lease, and (i) as to any such nonperformance which can practicably be cured within thirty (30) days, Landlord fails to cure such nonperformance within thirty (30) days of receipt of Tenant's notice of such nonperformance, or (ii) as to any such nonperformance which cannot practicably be cured within thirty (30) days, Landlord fails to commence the cure of such nonperformance within thirty (30) days of receipt of Tenant's notice of such nonperformance or fails to diligently prosecute the cure of such nonperformance to completion, then Tenant may, but shall not be obligated to, cure such nonperformance. In the event Tenant elects to cure any such nonperformance, Landlord shall reimburse Tenant for all reasonable costs and expenses incurred by Tenant in effecting such cure. Such reimbursement shall be made within thirty (30) days of Landlord's receipt of an invoice for the amount of such costs and expenses. All rights and remedies of Tenant under this Lease shall be cumulative and shall not be exclusive of any other rights and remedies provided to Tenant under applicable law.

## 24. Subordination

Tenant agrees that this Lease shall be subordinate to any ground lease or underlying lease, mortgage, deed of trust or other lien covering the Premises, upon and subject to the following terms and conditions. Tenant's subordination hereunder is expressly conditioned on execution and delivery to Tenant by each lessor under a ground lease or underlying

*Revised*

lease, each mortgagee, each lienholder and each beneficiary of a deed of trust by whom subordination is hereafter requested, of a nondisturbance agreement reasonably acceptable to Tenant. Such agreement shall be in a form typically used for commercial tenancies, shall be in recordable form and shall recognize Tenant's rights under this Lease in the event Landlord's interest is terminated while this Lease is in full force and effect. Such nondisturbance agreement shall include, among other things, a provision to the effect that in the event of a termination of the ground or underlying lease or foreclosure of the mortgage, deed of trust or other lien in favor of said secured party, or upon a sale of the property encumbered thereby pursuant to the trustee's power of sale contained therein, or upon a transfer of the Building or the Real Property by deed in lieu of foreclosure, then for so long as Tenant is not in material default under the terms, covenants, and conditions of this Lease, this Lease shall continue in full force and effect as a direct Lease between the owner or succeeding owner of the Real Property or the Building (as appropriate), as Landlord, and Tenant for the balance of the term of this Lease, upon and subject to all of the terms, covenants and conditions of this Lease. Such nondisturbance agreement shall not include any terms which are inconsistent with the terms of this Lease or which adversely affect Tenant's rights, or increase Tenant's obligations, under this Lease.

25. Landlord Authority to Lease

Landlord acknowledges that Landlord is Lessee of the Premises under a Lease dated May 17, 1985, which has been amended on N/A, with The Desimone Trust ("Lessor") whose address is Security Pacific Bank Washington, Seattle, WA, referred to hereinafter as the ("Senior Lease"). Landlord warrants that it has the right to execute this Lease under the terms of the Senior Lease, and that no terms or conditions of this Lease violates any terms or conditions of the Senior Lease. Landlord warrants that the Senior Lease shall not expire in time prior to the expiration of this Lease or any extension thereof. Landlord will not amend, modify, supplement, or alter the Senior Lease as it relates to the Premises without the prior written consent of Tenant.

26. Invalid Provision

If any terms or provisions of this Lease Agreement are determined to be invalid or unenforceable, the remaining terms and provisions shall nevertheless remain in full force and effect.

27. Non-Waiver of Breach

The failure of Landlord to insist upon strict performance of any of the terms and provisions hereof shall not be construed as a waiver or relinquishment of such terms and provisions, but the same shall be and remain in full force and effect.

28. Landlord's Remedies

No rights or remedies granted herein to Landlord shall limit Landlord's rights or remedies otherwise available to Landlord in law or in equity and Landlord shall be entitled to exercise all such rights or remedies separately or concurrently with those granted to Landlord under this Lease Agreement.

No early termination of this Lease or of Tenant's rights hereunder by Landlord shall relieve Tenant of any of its obligations hereunder and all right of Landlord shall survive any such termination.

29. Costs and Attorneys' Fees

If by reason of any default or breach on the part of either party in the performance of any of the provisions of this Lease, a legal action is instituted, the most prevailing party shall be entitled to an award of reasonable costs and attorneys' fees in connection therewith. It is agreed that the venue of any legal action brought under the terms of this Lease shall be in King County, State of Washington.

30. Agreement is Binding

The covenants and agreements of this Lease shall be binding upon the heirs, executors, administrators, successors and assigns of the parties hereto, except as hereinabove provided.

31. TIME IS OF THE ESSENCE OF THIS LEASE

*R. J. [Signature]*

32. Entire Agreement

This Lease Agreement represents the entire agreement of the parties and may not be modified or amended without the written consent of the parties hereto.

33. Hold Over

If Tenant, with the implied or express consent of Landlord, shall hold over after the expiration of the term of this Lease, Tenant shall remain bound by all the terms, covenants and agreements herein, except that the tenancy shall be from month to month.

Tenant will inform Landlord ninety (90) days prior to expiration of Lease if they desire to exercise the Hold Over Clause. Such Hold Over to be by mutual consent.

34. Quiet Enjoyment

Landlord warrants and covenants that, during the Lease Term, Tenant shall have the exclusive right to possession and quiet enjoyment of the Premises and shall have, hold and enjoy the Premises peacefully and quietly, without any manner of let, suit, trouble or hindrance.

IN WITNESS WHEREOF, the parties have executed this Agreement on the day and year first above written.

LANDLORD:

Fremont Associates, a Washington  
General Partnership

BY: Deborah K. Schen May 5, 1995  
Managing Partner Date

*RS*

TENANT:

T.M.S. ~~Corporation~~, a Joint Venture  
~~Corporation~~BY: 

Robert T. Skinner, President → CEO

BY: Randall K. Zach  
General Manager

STATE OF WASHINGTON )  
 ) ss.  
COUNTY OF KING )

On this 5<sup>th</sup> day of May, 1995, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Douglas R. Schumann by me to be the managing partner of Fremont Associates, the partnership that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said partnership, for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute the said instrument.

WITNESS my hand and official seal hereto affixed the day and year first above written.

Douglas R. Schumann  
NOTARY PUBLIC in and for the State  
of Washington, residing at Seattle  
My commission expires: 5-10-97

*Per*

"Exhibit A"

CONSTRUCTORS PAMCO

DICKS  
TOWING

SUBJECT  
SITE

AJT TRANSPORT

16161

WAY

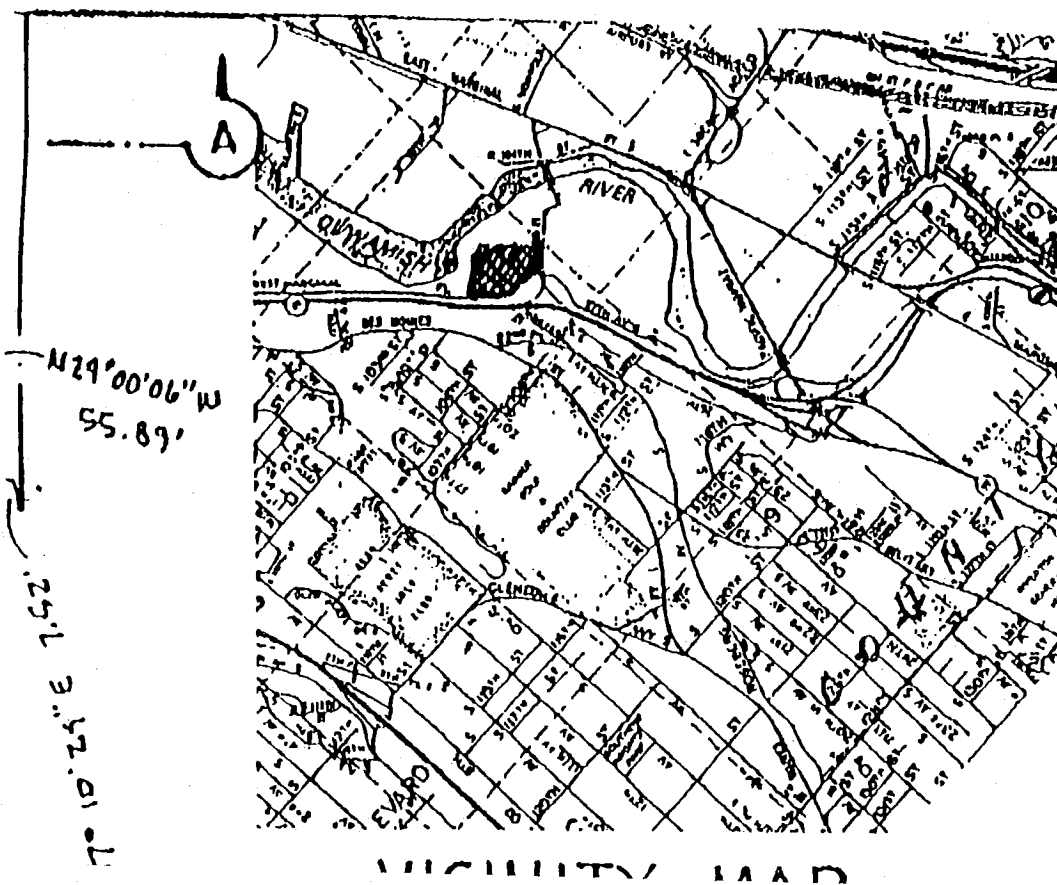
WEST MAIN ST. RAILROAD

Oxb

10161

BUWAMISH TRANSMISSION LINE R.W.

"Exhibit B"



### ADDENDUM 1

Tenant shall have the right to make reasonable and necessary improvements to the Premises in order to conduct their primary business of storage, repair, and sale of used cargo containers. These improvements include, but may not be limited to, the following:

- Extension of existing power from the office trailer on site to repair facility to be located on the Premises.
- Erection of a movable weather shelter to be used in the repair of containers.
- Removal and disposal of existing cement parking curbs located throughout the Premises, to facilitate storage of containers. Tenant shall have no obligation to reinstall parking curbs at the end of the lease.

*[Handwritten signature]*

*[Handwritten signature]*

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ADDENDUM 2

This Addendum is part of the Lease dated March 3, 1995 between Fremont Associates, as Landlord, and T. M. S., as Tenant.

Tenant has agreed to waive all contingencies and have the required permits to conduct its business. This is all on the condition that the landscaping requirement by the City of Tukwila will be the full responsibility of the Landlord, Fremont Associates.

In the event that Fremont Associates does not follow through on the landscaping obligation, and T.M.S. is forced to vacate the premises, Fremont Associates will be responsible for all damages to include the loss on capital expenditures.

Fremont Associates

  
\_\_\_\_\_  
Managing Partner

Date: May 5 1995

T. M. S., a Joint Venture

  
\_\_\_\_\_  
Randall K. Zack

Date: 5-3-95